



**Request For Proposals (RFP) for  
100% Renewable Energy  
Addendum B**

<b>Solicitation Number:</b>	10089288-18-F
<b>Solicitation Issue Date:</b>	September 7, 2017
<b>Mandatory Pre-Proposal Conference</b>	September 12, 2017
<b>Questions and Comments Due Date:</b>	2:00 p.m., October 9, 2017
<b>Proposal Due Date and Time ("Closing Date"):</b>	2:00 p.m., October 31, 2017
<b>City Contact:</b>	Veronica Ford, Senior Procurement Contracting Officer, 1200 Third Avenue, Suite 200 San Diego, California 92101 VMFord@sandiego.gov (619) 236-6032
<b>Submissions:</b>	Proposer is required to provide two (2) originals, four (4) copies, and one (1) electronic copy (e.g. thumb drive or CD) of their proposal, as described herein.

Note: Emailed submissions will not  
be accepted.

**Tab A - Submission of Information and Forms.**

**2.1 Exceptions and/or conditions requested by proposer, if any.**

**The proposer must present written factual or legal justification for proposed conditions and for any exception requested to the Scope of Work or the Exhibits thereto. The City, in its sole discretion, may accept some or all of proposer's exceptions or reject proposer's exceptions and deem the proposal non-responsive. The City will not consider exceptions addressed elsewhere in the proposal.**

Any services provided by SDG&E would be subject to CPUC jurisdiction and any required approvals. SDG&E would seek approval from the CPUC for any new arrangements with the City.

This RFP response is not intended to be, nor shall it be, construed as either a binding commitment or an attempt to define all terms and conditions of the proposed transaction described herein. Rather, it is intended to set forth an outline of certain proposals for discussion and acknowledges significant uncertainty in the procurement environment. Any legal obligations between SDG&E and the City shall arise only after definitive written agreements have been negotiated by the City and SDG&E in form and content satisfactory to all parties, all necessary approvals to enter into such agreements have been obtained, and the parties have executed and delivered such definitive written agreements. SDG&E retains the right in its sole discretion to determine, for any reason, not to participate in the proposals described herein.

SDG&E's RFP response contains all proposed exceptions and/or conditions requested by SDG&E.



## **2.2 The Contractor Standards Pledge of Compliance Form**

**City of San Diego**  
**CONTRACTOR STANDARDS**  
**Pledge of Compliance**

The City of San Diego has adopted a Contractor Standards Ordinance (CSO) codified in section 22.3004 of the San Diego Municipal Code (SDMC). The City of San Diego uses the criteria set forth in the CSO to determine whether a bidder or proposer has the capacity to fully perform the contract requirements and the business integrity to justify the award of public funds. This completed Pledge of Compliance signed under penalty of perjury must be submitted with each bid and proposal. If an informal solicitation process is used, the bidder must submit this completed Pledge of Compliance to the City prior to execution of the contract. All responses must be typewritten or printed in ink. If an explanation is requested or additional space is required, Respondents must provide responses on Attachment A to the Pledge of Compliance and sign each page. Failure to submit a signed and completed Pledge of Compliance may render the bid or proposal non-responsive. In the case of an informal solicitation, the contract will not be awarded unless a signed and completed Pledge of Compliance is submitted. A submitted Pledge of Compliance is a public record and information contained within will be available for public review except to the extent that such information is exempt from disclosure pursuant to applicable law.

**A. BID/PROPOSAL/SOLICITATION TITLE:**

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**B. BIDDER/PROPOSER INFORMATION:**

Legal Name	DBA		
Street Address	City	State	Zip
Contact Person, Title	Phone	Fax	

**C. OWNERSHIP AND NAME CHANGES:**

1. In the past five (5) years, has your firm changed its name?  
Yes                      No

If Yes, use Attachment "A" to list all prior legal and DBA names, addresses, and dates each firm name was used. Explain the specific reasons for each name change.

2. In the past five (5) years, has a firm owner, partner, or officer operated a similar business?  
Yes                      No

If Yes, use Attachment "A" to list names and addresses of all businesses and the person who operated the business. Include information about a similar business only if an owner, partner, or officer of your firm holds or has held a similar position in another firm.

**D. BUSINESS ORGANIZATION/STRUCTURE:**

Indicate the organizational structure of your firm. Fill in only one section on this page. Use Attachment "A" if more space is required.

Corporation    Date incorporated: \_\_\_\_/\_\_\_\_/\_\_\_\_    State of incorporation: \_\_\_\_\_

List corporation's current officers:    President: \_\_\_\_\_  
    Vice Pres: \_\_\_\_\_  
    Secretary: \_\_\_\_\_  
    Treasurer: \_\_\_\_\_

Is your firm a publicly traded corporation?                      Yes                      No

If Yes, name those who own ten percent (10 %) or more of the corporation's stocks:

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Limited Liability Company   Date formed: \_\_\_\_/\_\_\_\_/\_\_\_\_      State of formation: \_\_\_\_\_

List names of members who own ten percent (10%) or more of the company:

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Partnership   Date formed: \_\_\_\_/\_\_\_\_/\_\_\_\_      State of formation: \_\_\_\_\_

List names of all firm partners:

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Sole Proprietorship                      Date started: \_\_\_\_/\_\_\_\_/\_\_\_\_

List all firms you have been an owner, partner or officer with during the past five (5) years. Do not include ownership of stock in a publicly traded company:

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Joint Venture                      Date formed: \_\_\_\_/\_\_\_\_/\_\_\_\_

List each firm in the joint venture and its percentage of ownership:

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**Note:** To be responsive, each member of a Joint Venture must complete a separate *Pledge of Compliance*.

#### E. FINANCIAL RESOURCES AND RESPONSIBILITY:

1. Is your firm preparing to be sold, in the process of being sold, or in negotiations to be sold?  
Yes                      No

If Yes, use Attachment "A" to explain the circumstances, including the buyer's name and principal contact information.

2. In the past five (5) years, has your firm been denied bonding?  
Yes                      No

If Yes, use Attachment "A" to explain specific circumstances; include bonding company name.

3. In the past five (5) years, has a bonding company made any payments to satisfy claims made against a bond issued on your firm's behalf or a firm where you were the principal?  
Yes                      No

If Yes, use Attachment "A" to explain specific circumstances.

4. In the past five (5) years, has any insurance carrier, for any form of insurance, refused to renew the insurance policy for your firm?  
Yes                      No

If Yes, use Attachment "A" to explain specific circumstances.

5. Within the last five years, has your firm filed a voluntary petition in bankruptcy, been adjudicated bankrupt, or made a general assignment for the benefit of creditors?                      Yes                      No

6. Please provide the name of your principal financial institution for financial reference. By submitting a response to this Solicitation Contractor authorizes a release of credit information for verification of financial responsibility.

Name of Bank: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

7. By submitting a response to a City solicitation, Contractor certifies that he or she has sufficient operating capital and/or financial reserves to properly fund the requirements identified in the solicitation. At City's request, Contractor will promptly provide to City a copy of Contractor's most recent balance sheet and/or other necessary financial statements to substantiate financial ability to perform.

#### F. PERFORMANCE HISTORY:

1. In the past five (5) years, has your firm been found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for defaulting or breaching a contract with a government agency?  
Yes                      No

If Yes, use Attachment "A" to explain specific circumstances.

2. In the past five (5) years, has a public entity terminated your firm's contract for cause prior to contract completion?  
Yes                      No

If Yes, use Attachment "A" to explain specific circumstances and provide principal contact information.

3. In the past five (5) years, has your firm entered into any settlement agreement for any lawsuit that alleged contract default, breach of contract, or fraud with or against a public entity?  
Yes                      No

If Yes, use Attachment "A" to explain specific circumstances.

4. Is your firm currently involved in any lawsuit with a government agency in which it is alleged that your firm has defaulted on a contract, breached a contract, or committed fraud?

Yes                      No

If Yes, use Attachment "A" to explain specific circumstances.

5. In the past five (5) years, has your firm, or any firm with which any of your firm's owners, partners, or officers is or was associated, been debarred, disqualified, removed, or otherwise prevented from bidding on or completing any government or public agency contract for any reason?

Yes                      No

If Yes, use *Pledge of Compliance Attachment "A"* to explain specific circumstances.

6. In the past five (5) years, has your firm received a notice to cure or a notice of default on a contract with any public agency?

Yes                      No

If Yes, use Attachment "A" to explain specific circumstances and how the matter resolved.

7. Performance References:

Please provide a minimum of three (3) references familiar with work performed by your firm which was of a similar size and nature to the subject solicitation within the last five (5) years.

Company Name: \_\_\_\_\_

Contact Name and Phone Number: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Address: \_\_\_\_\_

Contract Date: \_\_\_\_\_

Contract Amount: \_\_\_\_\_

Requirements of Contract: \_\_\_\_\_

Company Name: \_\_\_\_\_

Contact Name and Phone Number: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Address: \_\_\_\_\_

Contract Date: \_\_\_\_\_

Contract Amount: \_\_\_\_\_

Requirements of Contract: \_\_\_\_\_

Company Name: \_\_\_\_\_

Contact Name and Phone Number: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Address: \_\_\_\_\_

Contract Date: \_\_\_\_\_

Contract Amount: \_\_\_\_\_

Requirements of Contract: \_\_\_\_\_

#### G. COMPLIANCE:

1. In the past five (5) years, has your firm or any firm owner, partner, officer, executive, or manager been criminally penalized or found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for violating any federal, state, or local law in performance of a contract, including but not limited to, laws regarding health and safety, labor and employment, permitting, and licensing laws?

Yes                      No

If Yes, use Attachment "A" to explain specific circumstances surrounding each instance. Include the name of the entity involved, the specific infraction(s) or violation(s), dates of instances, and outcome with current status.

2. In the past five (5) years, has your firm been determined to be non-responsible by a public entity?

Yes                      No

If Yes, use Attachment "A" to explain specific circumstances of each instance. Include the name of the entity involved, the specific infraction, dates, and outcome.

#### H. BUSINESS INTEGRITY:

1. In the past five (5) years, has your firm been convicted of or found liable in a civil suit for making a false claim or material misrepresentation to a private or public entity?

Yes                      No

If Yes, use Attachment "A" to explain specific circumstances of each instance. Include the entity involved, specific violation(s), dates, outcome and current status.

2. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government contract?

Yes                      No

If Yes, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

3. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a federal, state, or local crime of fraud, theft, or any other act of dishonesty?

Yes                      No

If Yes, use *Pledge of Compliance Attachment "A"* to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

**I. WAGE COMPLIANCE:**

In the past five (5) years, has your firm been required to pay back wages or penalties for failure to comply with the federal, state or local prevailing, minimum, or living wage laws?    Yes    No    If Yes, use Attachment "A" to explain the specific circumstances of each instance. Include the entity involved, the specific infraction(s), dates, outcome, and current status.

**J. STATEMENT OF SUBCONTRACTORS:**

Please provide the names and information for all subcontractors used in the performance of the proposed contract, and what portion of work will be assigned to each subcontractor. Subcontractors may not be substituted without the written consent of the City. Use Attachment "A" if additional pages are necessary. If no subcontractors will be used, please write "Not Applicable."

Company Name: \_\_\_\_\_

Contact Name and Phone Number: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Address: \_\_\_\_\_

Contract Date \_\_\_\_\_

Sub-Contract Dollar Amount: \_\_\_\_\_

Requirements of Contract: \_\_\_\_\_

What portion of work will be assigned to this subcontractor: \_\_\_\_\_

Is the Subcontractor a certified SLBE, ELBE, MBE, DBE, DVBE, or OBE? (Circle One)    YES    NO

If YES, Contractor must provide valid proof of certification with the response to the bid or proposal.

Company Name: \_\_\_\_\_

Contact Name and Phone Number: \_\_\_\_\_

Contact Email: \_\_\_\_\_

Address: \_\_\_\_\_

Contract Date \_\_\_\_\_

Sub-Contract Dollar Amount: \_\_\_\_\_

Requirements of Contract: \_\_\_\_\_

What portion of work will be assigned to this subcontractor: \_\_\_\_\_

Is the Subcontractor a certified SLBE, ELBE, MBE, DBE, DVBE, or OBE? (Circle One)    YES    NO

If YES, Contractor must provide valid proof of certification with the response to the bid or proposal.

**K. STATEMENT OF AVAILABLE EQUIPMENT:**

List all necessary equipment to complete the work specified. Use *Pledge of Compliance Attachment "A"* if additional pages are necessary. In instances where the required equipment is not owned by the Contractor, Contractor shall explain how the equipment will be made available before the commencement of work. The City of San Diego reserves the right to reject any response when, in its opinion, the Contractor has not demonstrated he or she will be properly equipped to perform the work in an efficient, effective manner for the duration of the contract period.

If no equipment is necessary to complete the work specified, please write "Not Applicable."

Equipment Description: \_\_\_\_\_

Owned ☐ Rented ☐ Other ☐ (explain below)

If Owned, Quantity Available: \_\_\_\_\_

Year, Make & Model: \_\_\_\_\_

Explanation: \_\_\_\_\_

Equipment Description: \_\_\_\_\_

Owned ☐ Rented ☐ Other ☐ (explain below)

If Owned, Quantity Available: \_\_\_\_\_

Year, Make & Model: \_\_\_\_\_

Explanation: \_\_\_\_\_

Equipment Description: \_\_\_\_\_

Owned ☐ Rented ☐ Other ☐ (explain below)

If Owned, Quantity Available: \_\_\_\_\_

Year, Make & Model: \_\_\_\_\_

Explanation: \_\_\_\_\_

**L. TYPE OF SUBMISSION:** This document is submitted as:

Initial submission of *Contractor Standards Pledge of Compliance*.

Update of prior *Contractor Standards Pledge of Compliance* dated \_\_\_\_/\_\_\_\_/\_\_\_\_.



Complete all questions and sign below.

Under penalty of perjury under the laws of the State of California, I certify that I have read and understand the questions contained in this Pledge of Compliance, that I am responsible for completeness and accuracy of the responses contained herein, and that all information provided is true to the best of my knowledge and belief. I agree to provide written notice to the Purchasing Agent within five (5) business days if, at any time, I learn that any portion of this Pledge of Compliance is inaccurate. Failure to timely provide the Purchasing Agent with written notice is grounds for Contract termination.

I, on behalf of the firm, further certify that I and my firm will comply with the following provisions of SDMC section 22.3004:

(a) I and my firm will comply with all applicable local, State and Federal laws, including health and safety, labor and employment, and licensing laws that affect the employees, worksite or performance of the contract.

(b) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of receiving notice that a government agency has begun an investigation of me or my firm that may result in a finding that I or my firm is or was not in compliance with laws stated in paragraph (a).

(c) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of a finding by a government agency or court of competent jurisdiction of a violation by the Contractor of laws stated in paragraph (a).

(d) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of becoming aware of an investigation or finding by a government agency or court of competent jurisdiction of a violation by a subcontractor of laws stated in paragraph (a).

(e) I and my firm will cooperate fully with the City during any investigation and to respond to a request for information within ten (10) working days.

Failure to sign and submit this form with the bid/proposal shall make the bid/proposal non-responsive. In the case of an informal solicitation, the contract will not be awarded unless a signed and completed *Pledge of Compliance* is submitted.

\_\_\_\_\_  
Name and Title

  
\_\_\_\_\_  
Signature


\_\_\_\_\_  
Date

City of San Diego  
CONTRACTOR STANDARDS  
Pledge of Compliance Attachment "A"

Provide additional information in space below. Use additional Attachment "A" pages as needed. Each page must be signed.  
Print in ink or type responses and indicate question being answered.

I have read the matters and statements made in this Contractor Standards Pledge of Compliance and attachments thereto and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief and as to such matters, I believe the same to be true. I certify under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Print Name, Title

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

City of San Diego  
CONTRACTOR STANDARDS  
Pledge of Compliance Attachment "A"

Provide additional information in space below. Use additional Attachment "A" pages as needed. Each page must be signed.  
Print in ink or type responses and indicate question being answered.

I have read the matters and statements made in this Contractor Standards Pledge of Compliance and attachments thereto and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief and as to such matters, I believe the same to be true. I certify under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Print Name, Title

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **2.3 Equal Opportunity Contracting forms including the Work Force Report and Contractors Certification of Pending Actions**

## **EQUAL OPPORTUNITY CONTRACTING PROGRAM (EOCP)**

### **GOODS AND SERVICES CONTRACTOR REQUIREMENTS**

#### **I. City's Equal Opportunity Contracting Commitment.**

The City of San Diego (City) promotes equal employment and subcontracting opportunities. The City is committed to ensuring that taxpayer dollars spent on public contracts are not paid to businesses that practice discrimination in employment or subcontracting. The City encourages all companies seeking to do business with the City to share this commitment. Contractors are encouraged to take positive steps to diversify and expand their subcontractor and supplier solicitation base and to offer opportunities to all eligible business firms.

*Contractors must submit the required EOCP documentation indicated below with their proposals. Contractors who fail to provide the required EOCP documentation are considered non-responsive.*

#### **II. Definitions.**

**Commercially Useful Function:** a Small Local Business Enterprise or Emerging Local Business Enterprise (SLBE/ELBE) performs a commercially useful function when it is responsible for execution of the work and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the SLBE/ELBE shall also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quantity and quality, ordering the material, and installing (where applicable) and paying for the material itself.

To determine whether an SLBE/ELBE is performing a commercially useful function, an evaluation will be performed of the amount of work subcontracted, normal industry practices, whether the amount the SLBE/ELBE firm is to be paid under the contract is commensurate with the work it is actually performing and the SLBE/ELBE credit claimed for its performance of the work, and other relevant factors. Specifically, an SLBE/ELBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of meaningful and useful SLBE/ELBE participation, when in similar transactions in which SLBE/ELBE firms do not participate, there is no such role performed.

**Disadvantaged Business Enterprise (DBE):** a certified business that is (1) at least fifty-one (51%) owned by socially and economically Disadvantaged Individuals, or, in the case of a publicly owned business at least fifty-one percent (51%) of the stock is owned by one or more socially and economically Disadvantaged Individuals; and (2) whose daily business operations are managed and directed by one or more socially and economically disadvantaged owners. Disadvantaged Individuals include Black Americans, Hispanic Americans, Asian Americans, and other minorities, or individual found to be disadvantaged by the Small Business Administration pursuant to Section 8 of the Small Business Reauthorization Act.

**Disabled Veteran Business Enterprise (DVBE):** a certified business that is (1) at least fifty-one percent (51%) owned by one or more Disabled Veterans; and (2) business operations must be managed and controlled by one or more Disabled Veterans. A Disabled Veteran is a veteran of the U.S. military, naval, or air service who resides in California and has a service-connected disability of at least 10% or more. The firm shall be certified by the State of California's Department of General Services, Office of Small and Minority Business.

**Emerging Business Enterprise (EBE):** a business whose gross annual receipts do not exceed the amount set by the City Manager, and which meets all other criteria set forth in the regulations implementing the City's Small and Local Business Preference Program. The City Manager shall review the threshold amount for EBEs on an annual basis, and adjust as necessary to reflect changes in the marketplace.

**Emerging Local Business Enterprise (ELBE):** a Local Business Enterprise that is also an Emerging Business Enterprise.

**Local Business Enterprise (LBE):** a business that has both a principal place of business and a significant employment presence in the County of San Diego, and that has been in operation for twelve (12) consecutive months.

**Minority Business Enterprise (MBE):** a certified business that is (1) at least fifty-one percent (51%) owned by one or more minority individuals, or, in the case of a publicly owned business at least fifty-one percent (51%) of the stock is owned by one or more minority individuals; and (2) whose daily business operations are managed and directed by one or more minorities owners. Minorities include the groups with the following ethnic origins: African, Asian Pacific, Asian Subcontinent, Hispanic, Native Alaskan, Native American, and Native Hawaiian.

**Other Business Enterprise (OBE):** any business which does not otherwise qualify as Minority, Woman, Disadvantaged, or Disabled Veteran Business Enterprise.

**Principal Place of Business:** a location wherein a business maintains a physical office and through which it obtains no less than fifty percent (50%) of gross annual receipts.

**Significant Employee Presence:** no less than twenty-five percent (25%) of a business's total number of employees.

**Small Business Enterprise (SBE):** a business whose gross annual receipts do not exceed the amount set by the City Manager, and that meets all other criteria set forth in regulations implementing the City's Small and Local Business Preference Program. The City Manager shall review the threshold amount for SBEs on an annual basis, and adjust as necessary to reflect changes in the marketplace. A business certified as a DVBE by the State of California, and that has provided proof of such certification to the City manager, shall be deemed to be an SBE.

**Small Local Business Enterprise (SLBE):** a Local Business Enterprise that is also a Small Business Enterprise.

**Women Business Enterprise (WBE):** a certified business that is (1) at least fifty-one percent (51 %) owned by a woman or women, or, in the case of a publicly owned business at least fifty-one percent (51%) of the stock is owned by one or more women; and (2) whose daily business operations are managed and directed by one or more women owners.

### **III. Disclosure of Discrimination Complaints.**

As part of its proposal, Contractor shall provide to the City a list of all instances within the past ten (10) years where a complaint was filed or pending against Contractor in a legal or administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors, or suppliers, and a description of the status or resolution of that complaint, including any remedial action taken. (Attachment AA).

### **IV. Work Force Report and Equal Opportunity Outreach Plan.**

- A. Work Force Report. Contractors shall submit with their proposal a Work Force Report (WFR) for approval by the City. (Attachment BB). If the City determines that there are under representations when compared to County Labor Force Availability data, then the Contractor will also be required to submit an Equal Employment Opportunity Plan (EEOP) to the City for approval. Questions regarding the WFR should be directed to the Equal Opportunity Contracting Department.
- B. Duty to Comply with Equal Opportunity Outreach Plan. A Contractor for whom an EEOP has been approved by the City shall use best efforts to comply with that EEOP.

### **V. Small and Local Business Program Requirements.**

The City has adopted a Small and Local Business Enterprise program for goods, services, and consultant contracts. The SLBE requirements are set forth in Council Policy 100-10. For contracts in which the Purchasing Agent is required to advertise for sealed proposals in the City's official newspaper or consultant contracts valued over \$50,000, the City shall:

- A. Apply a maximum of an additional 12% of the total possible evaluation points to the Contractor's final score for SLBE or ELBE participation. Additional points will be awarded as follows:
  - a. If the Contractor achieves 20% participation, apply 5% of the total possible evaluation points to the Contractor's score; or
  - b. If the Contractor achieves 25% participation, apply 10% of the total possible evaluation points to the Contractor's score; or
  - c. If the prime contractor is a SLBE or an ELBE, apply 12% of the total possible evaluation points to the Contractor's score.

## **VI. Maintaining Participation Levels.**

- A. Additional points are based on the Contractor's level of participation proposed prior to the award of the goods, services, or consultant contract. Contractors are required to achieve and maintain the SLBE or ELBE participation levels throughout the duration of the goods, services, or consultant contract.
- B. If the City modifies the original specifications, the Contractor shall make reasonable efforts to maintain the SLBE or ELBE participation for which the additional points were awarded. The City must approve in writing a reduction in SLBE or ELBE participation levels.
- C. Contractor shall notify and obtain written approval from the City in advance of any reduction in subcontract scope, termination, or substitution for a designated SLBE or ELBE subcontractor.
- D. Contractor's failure to maintain SLBE or ELBE participation levels as specified in the goods, services, or consultant contract shall constitute a default and grounds for debarment under Chapter 2, Article 2, Division 8, of the San Diego Municipal Code.
- E. The remedies available to the City under Council Policy 100-10 are cumulative to all other rights and remedies available to the City.

## **VII. Certifications.**

The City accepts certifications of MBE, WBE, DBE, or DVBE from the following certifying agencies:

- A. Current certification by the State of California Department of Transportation (CALTRANS) as DBE.
- B. Current MBE or WBE certification from the California Public Utilities Commission.
- C. DVBE certification is received from the State of California's Department of General Services, Office of Small and Minority Business.
- D. Current certification by the City of Los Angeles as DBE, WBE, or MBE.

Subcontractors' valid proof of certification status e.g., copy of MBE, WBE, DBE, or DVBE certification must be submitted with the proposal or contract documents. MBE, WBE, DBE, or DVBE certifications are listed for informational purposes only.

## **VIII. List of Attachments.**

- AA. Contractors Certification of Pending Actions
- BB. Work Force Report



## AA. CONTRACTORS CERTIFICATION OF PENDING ACTIONS

As part of its proposal, the Contractor must provide to the City a list of all instances within the past 10 years where a complaint was filed or pending against the Contractor in a legal or administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers, and a description of the status or resolution of that complaint, including any remedial action taken.

### CHECK ONE BOX ONLY.

- ☐ The undersigned certifies that within the past 10 years the Contractor has NOT been the subject of a complaint or pending action in a legal administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers.
- ☐ The undersigned certifies that within the past 10 years the Contractor has been the subject of a complaint or pending action in a legal administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers. A description of the status or resolution of that complaint, including any remedial action taken and the applicable dates is as follows:

DATE OF CLAIM	LOCATION	DESCRIPTION OF CLAIM	LITIGATION (Y/N)	STATUS	RESOLUTION/REMEDIAL ACTION TAKEN

Contractor Name: Please refer to Appendix III

Certified By \_\_\_\_\_ Title \_\_\_\_\_  
Name  
\_\_\_\_\_  
Signature Date \_\_\_\_\_

**USE ADDITIONAL FORMS AS NECESSARY**



City of San Diego

## EQUAL OPPORTUNITY CONTRACTING (EOC)

1200 Third Avenue • Suite 200 • San Diego, CA 92101

Phone: (619) 236-6000 • Fax: (619) 236-5904

### BB. WORK FORCE REPORT

The objective of the *Equal Employment Opportunity Outreach Program*, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

**NO OTHER FORMS WILL BE ACCEPTED**

#### CONTRACTOR IDENTIFICATION

Type of Contractor: ☐ Construction ☐ Vendor/Supplier ☐ Financial Institution ☐ Lessee/Lessor  
☐ Consultant ☐ Grant Recipient ☐ Insurance Company ☐ Other

Name of Company: Refer to Appendix III

ADA/DBA: \_\_\_\_\_

Address (Corporate Headquarters, where applicable): \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone Number: ( ) \_\_\_\_\_ Fax Number: ( ) \_\_\_\_\_

Name of Company CEO: \_\_\_\_\_

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone Number: ( ) \_\_\_\_\_ Fax Number: ( ) \_\_\_\_\_ Email: \_\_\_\_\_

Type of Business: \_\_\_\_\_ Type of License: \_\_\_\_\_

The Company has appointed: \_\_\_\_\_

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: \_\_\_\_\_

Telephone Number: ( ) \_\_\_\_\_ Fax Number: ( ) \_\_\_\_\_ Email: \_\_\_\_\_

☐ One San Diego County (or Most Local County) Work Force - Mandatory

☐ Branch Work Force \* ☐ Managing Office Work Force

*Check the box above that applies to this WFR.*

*\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

I, the undersigned representative of \_\_\_\_\_

(Firm Name)

\_\_\_\_\_ hereby certify that information provided

(County)

(State)

herein is true and correct. This document was executed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Print Authorized Signature Name)

NAME OF FIRM: Refer to Appendix III DATE: \_\_\_\_\_

OFFICE(S) or BRANCH(ES): \_\_\_\_\_ COUNTY: \_\_\_\_\_

I. INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |  |  |
|--|--|
| (1) Black, African-American                          | (5) Filipino, Asian Pacific Islander               |
| (2) Hispanic, Latino, Mexican-American, Puerto Rican | (6) White, Caucasian                               |
| (3) Asian  | (7) Other ethnicity; not falling into other groups |
| (4) American Indian, Eskimo                          |  |

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) African-American		(2) Hispanic or Latino		(3) Asian		(4) American Indian		(5) Asian Pacific Islander		(6) Caucasian		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial														
Professional														
A&E, Science, Computer														
Technical														
Sales														
Administrative Support														
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

\*Construction laborers and other field employees are not to be included on this page

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Grand Total All Employees

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

NAME OF FIRM: \_\_\_\_\_ DATE: \_\_\_\_\_

OFFICE(S) or BRANCH(ES): \_\_\_\_\_ COUNTY: \_\_\_\_\_

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |  |  |
|--|--|
| (1) Black, African-American                          | (5) Filipino, Asian Pacific Islander               |
| (2) Hispanic, Latino, Mexican-American, Puerto Rican | (6) White, Caucasian                               |
| (3) Asian  | (7) Other ethnicity; not falling into other groups |
| (4) American Indian, Eskimo                          |  |

TRADE OCCUPATIONAL CATEGORY	(1) African- American		(2) Hispanic or Latino		(3) Asian		(4) American Indian		(5) Asian Pacific Islander		(6) Caucasian		(7) Other Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Grand Total All Employees														
Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:														



# CITY OF SAN DIEGO WORK FORCE REPORT

## HISTORY

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm's work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (African-American, Hispanic or Latino, Asian, American Indian, Asian Pacific Islander, Caucasian, and Other Ethnicities) for each occupation. Currently, our CLFA data is taken from the 2010 Census. In order to compare one contractor to another, it is important that the data we receive from the Contractor firm is accurate and organized in the manner that allows for this fair comparison.

## WORK FORCE & BRANCH WORK FORCE REPORTS

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm's work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County WFR.<sup>1</sup> By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a WFR from that county.<sup>2</sup> If participation in a San Diego project is by work forces from San Diego

County and, for example, from Los Angeles County and from Sacramento County, we ask for separate WFRs representing your firm from each of the three counties.

## MANAGING OFFICE WORK FORCE

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report.<sup>1,3</sup> In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.<sup>3</sup>

## TYPES OF WORK FORCE REPORTS:

Please note, throughout the preceding text of this page, the superscript numbers one <sup>1</sup>, two <sup>2</sup> & three <sup>3</sup>. These numbers coincide with the types of work force report required in the example. See below:

- <sup>1</sup> San Diego County (or Most Local County)  
Work Force – Mandatory in most cases
- <sup>2</sup> Branch Work Force \*
- <sup>3</sup> Managing Office Work Force

*\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

## **Exhibit A: Work Force Report Job categories-Administration**

Refer to this table when completing your firm's Work Force Report form(s).

### **Management & Financial**

Advertising, Marketing, Promotions, Public Relations, and Sales Managers
Business Operations Specialists
Financial Specialists
Operations Specialties Managers
Other Management Occupations
Top Executives

### **Professional**

Art and Design Workers
Counselors, Social Workers, and Other Community and Social Service Specialists
Entertainers and Performers, Sports and Related Workers
Health Diagnosing and Treating Practitioners
Lawyers, Judges, and Related Workers
Librarians, Curators, and Archivists
Life Scientists

Media and Communication Workers
Other Teachers and Instructors
Postsecondary Teachers
Primary, Secondary, and Special Education School Teachers
Religious Workers
Social Scientists and Related Workers

### **Architecture & Engineering, Science, Computer**

Architects, Surveyors, and Cartographers
Computer Specialists
Engineers
Mathematical Science Occupations
Physical Scientists

### **Technical**

Drafters, Engineering, and Mapping Technicians
Health Technologists and Technicians
Life, Physical, and Social Science Technicians
Media and Communication Equipment Workers

### **Sales**

Other Sales and Related Workers
Retail Sales Workers
Sales Representatives, Services
Sales Representatives, Wholesale and Manufacturing
Supervisors, Sales Workers

### **Administrative Support**

Financial Clerks
Information and Record Clerks
Legal Support Workers
Material Recording, Scheduling, Dispatching, and Distributing Workers
Other Education, Training, and Library Occupations
Other Office and Administrative Support Workers
Secretaries and Administrative Assistants
Supervisors, Office and Administrative Support Workers

### **Services**

Building Cleaning and Pest Control Workers
Cooks and Food Preparation Workers
Entertainment Attendants and Related Workers
Fire Fighting and Prevention Workers
First-Line Supervisors/Managers, Protective Service Workers
Food and Beverage Serving Workers
Funeral Service Workers
Law Enforcement Workers
Nursing, Psychiatric, and Home Health Aides
Occupational and Physical Therapist Assistants and Aides

Other Food Preparation and Serving Related Workers
Other Healthcare Support Occupations
Other Personal Care and Service Workers
Other Protective Service Workers
Personal Appearance Workers
Supervisors, Food Preparation and Serving Workers
Supervisors, Personal Care and Service Workers
Transportation, Tourism, and Lodging Attendants

### **Crafts**

Construction Trades Workers
Electrical and Electronic Equipment Mechanics, Installers, and Repairers
Extraction Workers
Material Moving Workers
Other Construction and Related Workers
Other Installation, Maintenance, and Repair Occupations
Plant and System Operators
Supervisors of Installation, Maintenance, and Repair Workers
Supervisors, Construction and Extraction Workers
Vehicle and Mobile Equipment Mechanics, Installers, and Repairers
Woodworkers

### **Operative Workers**

Assemblers and Fabricators
Communications Equipment Operators
Food Processing Workers
Metal Workers and Plastic Workers
Motor Vehicle Operators
Other Production Occupations
Printing Workers
Supervisors, Production Workers
Textile, Apparel, and Furnishings Workers

### **Transportation**

Air Transportation Workers
Other Transportation Workers
Rail Transportation Workers
Supervisors, Transportation and Material Moving Workers
Water Transportation Workers

### **Laborers**

Agricultural Workers
Animal Care and Service Workers
Fishing and Hunting Workers
Forest, Conservation, and Logging Workers
Grounds Maintenance Workers
Helpers, Construction Trades

Supervisors, Building and Grounds Cleaning and Maintenance Workers
Supervisors, Farming, Fishing, and Forestry Workers

## **Exhibit B: Work Force Report Job categories-Trade**

### **Brick, Block or Stone Masons**

Brickmasons and Blockmasons
Stonemasons

### **Carpenters**

### **Carpet, floor and Tile Installers and Finishers**

Carpet Installers
Floor Layers, except Carpet, Wood and Hard Tiles
Floor Sanders and Finishers
Tile and Marble Setters

### **Cement Masons, Concrete Finishers**

Cement Masons and Concrete Finishers
Terrazzo Workers and Finishers

### **Construction Laborers**

### **Drywall Installers, Ceiling Tile Inst**

Drywall and Ceiling Tile Installers
Tapers

### **Electricians**

### **Elevator Installers and Repairers**

### **First-Line Supervisors/Managers**

First-line Supervisors/Managers of Construction Trades and Extraction Workers
---

### **Glaziers**

### **Helpers, Construction Trade**

Brickmasons, Blockmasons, and Tile and Marble Setters
Carpenters
Electricians
Painters, Paperhangers, Plasterers and Stucco
Pipelayers, Plumbers, Pipefitters and Steamfitters
Roofers
All other Construction Trades

### **Millwrights**

Heating, Air Conditioning and Refrigeration Mechanics and Installers
Mechanical Door Repairers
Control and Valve Installers and Repairers

Other Installation, Maintenance and Repair Occupations
--

### **Misc. Const. Equipment Operators**

Paving, Surfacing and Tamping Equipment Operators
Pile-Driver Operators
Operating Engineers and Other Construction Equipment Operators

### **Painters, Const. Maintenance**

Painters, Construction and Maintenance
Paperhangers

### **Pipelayers and Plumbers**

Pipelayers
Plumbers, Pipefitters and Steamfitters

### **Plasterers and Stucco Masons**

### **Roofers**

### **Security Guards & Surveillance Officers**

### **Sheet Metal Workers**

### **Structural Iron and Steel Workers**

### **Welding, Soldering and Brazing Workers**

Welders, Cutter, Solderers and Brazers
Welding, Soldering and Brazing Machine Setter, Operators and Tenders

## **2.4 Additional information as required by Exhibit B**



The requirements of Exhibit B are met within Section 2.9. The table below provides each requirement as well as the relevant reference(s).

<b>Exhibit B Requirement</b>	<b>2.9 Reference(s)</b>
1. The physical and legal ability of the respondent to directly access existing electrical transmission and distribution infrastructure and to sell electricity to retail customers via that infrastructure;	2.9.1; 2.9.2
2. A detailed description of a strategy or strategies to significantly expand the renewable electricity content for all residents, businesses, and government operations in San Diego towards 100% renewable electricity citywide by 2035, including any relevant potential renewable electricity scenarios;	2.9; 2.9.3; 2.9.4
3. A strategy to procure and deliver renewable sources of electricity, including identification of new local sources and the potential to maximize local distributed energy resources;	2.9; 2.9.3; 2.9.4
4. A detailed schedule/timeline of implementation of the program demonstrating an increase towards 100% renewable electricity citywide by 2035, including all customer classes;	2.9.5
5. A detailed description of the estimated costs of the proposed program (including administrative, implementation, estimated rate recovery needs/impacts, etc.) expressed in terms of bundled and unbundled retail electric rates (in \$/kWh) for all customer classes benchmarked to the current renewable energy portfolio mix, including any and all potential exit fee impacts;	2.9.6
6. An analysis of the greenhouse gas emission reductions that will be achieved with the proposal as related to the goals of the CAP;	2.9.7
7. Analyses of potential risks and roadblocks and potential solutions or mitigation, including any anticipated regulatory issues or risks, departing load expense risks, etc.;	2.9.8
8. Specific and detailed additional benefits associated with the proposal which may include: local job creation, business development, environmental benefits in addition to greenhouse gas reductions, etc.	2.9.9

**Tab B - Executive Summary and Responses to Specifications.**

# RFP

## San Diego's 100% Renewable Future



**Emily C. Shults**  
Vice President - Energy Supply

PO Box 129831  
San Diego, CA 92112

October 31, 2017

Ms. Veronica Ford  
Associate Procurement Contracting Officer  
1200 Third Avenue, Suite 200  
San Diego, CA 92101

Dear Ms. Ford:

San Diego Gas & Electric Company (SDG&E) is pleased to respond to the Request for Proposals (RFP) to meet the City of San Diego's (City) 100% renewable energy goal. SDG&E shares the City's ambitions for achieving real and aggressive reductions in greenhouse gas (GHG) emissions, which supports our mission to build the cleanest, safest, and most reliable energy company in America.

Within this RFP response, we propose a program to procure enough renewable energy to meet the demands of San Diegans, but we do not address efforts to create a California grid that is powered entirely by renewables. A California grid that provides renewable energy 24 hours a day, 365 days a year is a future vision for the grid that will require new and continued efforts by all Californians. As such, SDG&E strongly believes that GHG reducing actions, for example those in electric vehicle adoption and energy efficiency (EE), should remain a central focus for the City – complementing the City's aggressive renewable goal. In our earlier responses, we provided information on a suite of SDG&E tools beyond energy procurement that could support the City's success in reaching its GHG goals. SDG&E has a long-standing commitment to our community and we aim to support the City in a comprehensive manner to foster a cleaner and more sustainable energy future.

Today's submission builds upon SDG&E's Request for Statement of Qualifications (RFSQ) response. In the detailed description of potential strategies, we provide additional illustrative material and a stronger emphasis on strategies delivering incremental GHG reduction. We also provide additional information on potential cost drivers in section 2.9.6.

We are pleased to answer any questions you may have and look forward to further discussion during the oral interview process.

Sincerely,

Emily Shults  
Vice President, Energy Supply

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## Executive Summary (2.8)

Since 1881, SDG&E has been providing safe and reliable energy to its customers. Today, SDG&E provides electricity to 3.6 million customers throughout a 4,100-square mile territory and serves those customers with 43% renewable energy. In fact, SDG&E was the first investor-owned utility in California to have reached 33% renewable energy supply, achieving this milestone five years ahead of the State's 2020 Renewables Portfolio Standard (RPS) goal. SDG&E has also successfully interconnected thousands of private solar rooftop installations. Looking ahead, we expect that by 2021, SDG&E will serve its customers with 49% renewable energy. Combined with anticipated growth in rooftop solar, **roughly 52% of the energy received by San Diegans within the next five years is expected to come from renewables.**<sup>1</sup> This level of progress is expected before any actions considered in this proposal.

In alignment with the City's Climate Action Plan, this proposal includes a roadmap that provides the City with a clear path towards 100% renewable energy, while maintaining optionality. Our proposal is to form a new City-SDG&E program where participating residents would remain SDG&E bundled customers and take service on a newly created tariff requiring CPUC approval. This program would include and build upon SDG&E's existing renewable portfolio and would not require a departing load charge for City customers (such as the Power Charge Indifference Adjustment, or "PCIA"). Under this program, energy procurement would occur through a flexible approach designed to optimize the City's portfolio across factors including cost, GHG reduction, economic impact, reliability, and other factors determined by the City. **As such, our proposed program provides the City with local influence regarding the specific energy resources used to serve its residents.** To proceed, we would partner with the City to seek program approval from the California Public Utilities Commission (CPUC) and, in compliance with law, ensure that non-participating SDG&E customers do not experience increased costs due to this program. In addition, although we cannot guarantee program outcomes at this time, SDG&E has considerable resources and expertise in mitigating risks associated with energy procurement, resource adequacy and integration, customer service, credit, and the regulatory and legislative environment.

In our response to the City's RFSQ, we emphasized that market and regulatory conditions could change significantly over the next few years. **Pending reforms could represent a sea change for the industry and go well beyond day-to-day price and regulatory uncertainty.** For example, the California legislature continues to contemplate a bill (SB 100) that would increase the RPS goal to 60% by 2030, and plan for 100% of the State's retail electricity supply to be met with a mix of RPS-eligible and zero-carbon resources by the end of 2045. Active CPUC proceedings on departing load cost allocation reform and the Integrated Resource Plan (IRP) will also have material impacts on procurement costs and opportunities going forward. Further, the CPUC has announced interest in retail choice for electricity and will consider the role that the utility as a load-serving entity will play. Given that this evolving environment will shape the benefits and costs of a proposed City-SDG&E program, we have now incorporated an interim decision milestone for both parties within our proposal. Specifically, we propose that the City and SDG&E begin designing a program upon completion of this RFP process, and that the program design schedule include a formalized decision requirement in the first quarter of 2019 for both parties to review proposed program terms and updated regulatory and market conditions and confirm our mutual interest in proceeding with a CPUC application.

---

<sup>1</sup> For the purpose of this document, we include all customer-sited renewable energy systems when referring to "solar rooftop installations." As of 09-2017, SDG&E has connected over 36,000 of these systems in the City. Including California Energy Commission (CEC) solar rooftop projections, capacity factors, and the demand served by these systems, San Diegans (when including SDG&E's RPS projections) could receive 52% of their energy from renewable resources by 2021. See the CEC's 2016 IEPR forecast.

## Proposer's Response to the RFP (2.9)

In this section, we include a description of SDG&E's 100% Renewable Energy Program concept.<sup>2</sup> Our program concept is focused on the amount of energy procured to meet the demands of SDG&E customers residing within the City of San Diego (City customers) and does not address efforts to create a California grid that is powered entirely by renewable energy. Additional information on SDG&E's qualifications is included in Appendix I.

Under our 100% Renewable Energy Program, participating City customers<sup>3</sup> would be placed on a newly created City-specific tariff, but would remain on bundled service – meaning they would continue to receive both commodity and distribution/transmission service from SDG&E. As bundled customers, City customers would continue to pay for all regular bill charges, plus any new renewable resources procured on their behalf, all resources purchased on their behalf prior to program enrollment, and any future grid-reliability resources for which all electric consumers in California are responsible.<sup>4</sup>

Multiple resource types could be included in the portfolio used to serve City customers, depending upon the City's optimization goals.<sup>5</sup> We do not believe that recommending a specific resource strategy today for procurement through 2035 is prudent, efficient, or market-savvy. Instead, we recommend a flexible approach that can respond to City directives and market conditions over time, while allowing the City to have more local influence over the resources serving its residents, subject to applicable rules and approvals. To illustrate the type of choices the City will be afforded in the future under this program, we provide two scenarios (discussed further in 2.9.3). For these *illustrations*, we utilize the following resource types:<sup>6</sup>

- **New Local Renewables:** New “steel in the ground” projects either in San Diego or Imperial County that produce incremental GHG savings by displacing conventional generation; procured through competitive Request for Offers (RFOs) typically requiring 2-4 years from approval to operation.
- **Banked Resources:** Renewable Energy Credits (RECs) from existing projects serving SDG&E customers, based on City customers' pro-rata share of load, that are beyond what is required for State RPS compliance; no procurement is required if customers remain on bundled service.<sup>7</sup>

The degree and timing to which the City chooses to use various resources will depend on City priorities. In practice, many different portfolio approaches could be used with differing cost, renewable, and GHG results. Different renewable targets, such as 60%, 80%, and 100% could be used for different customer classifications and with different levels of participation. We provide illustrative scenarios simply to demonstrate some examples of portfolio strategies.

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<sup>2</sup> In SDG&E's response to the City's Request for Information (RFI), we referred to this concept under the title “Expanded EcoChoice.” Until a specific program is designed, we will now refer to this concept simply as SDG&E's 100% Renewable Energy Program.

<sup>3</sup> The program can be designed based on opt-in participation or opt-out participation, but all terms and conditions of the program will need to be approved by the CPUC.

<sup>4</sup> Examples include the Public Purpose Program (PPP) charge and other non-bypassable charges.

<sup>5</sup> Appendix II provides additional details.

<sup>6</sup> In our response to the City's RFSQ, we included a scenario with use of in-state RECs. While we do not illustrate that scenario in this RFP, in-state RECs remain a resource that could be utilized in the City-SDG&E program.

<sup>7</sup> This statement is consistent with current regulation. The California Investor Owned Utilities have proposed a new methodology for allocating costs and resources to departing load that contemplates allocation of RECs to departing load.



As these are illustrations, we do not guarantee that the proposed portfolios will be the most optimal over time, nor can we project customer rates. Instead, to facilitate the City's assessment of this proposal, we provide information on key cost drivers in 2.9.6. Information we provide is not inclusive of all potential costs and does not reflect SDG&E forecasts.

#### 2.9.1: Ability to integrate with existing electrical transmission and distribution infrastructure

SDG&E is a regulated utility that currently provides electricity to a population of 3.6 million, and has infrastructure that supports electric generation, transmission, and distribution assets. In 2016, we served customers with 43% renewable energy and in 2021, we expect to be serving customers with 49% renewable energy.

For all generation resources in our portfolio, whether owned by SDG&E or a third party, we have successfully integrated these resources onto our transmission and distribution system. SDG&E was awarded the ReliabilityOne™ Award for Outstanding Reliability Performance among utilities in the western states and Canada for the 11<sup>th</sup> straight year and has twice received the ReliabilityOne™ National Reliability Excellence Award.

#### 2.9.2: Ability and experience to participate in the electricity market through the California Independent System Operator (CAISO)

SDG&E has extensive knowledge and experience with the CAISO and related energy markets, acting as scheduling coordinator, 24 hours a day, 7 days a week, for more than 4,400 MW of capacity. SDG&E has been a participant in the CAISO as a scheduling coordinator for both electric demand and generating resources since the CAISO's inception in 1997. SDG&E procures power to serve SDG&E's demand from the CAISO, while economically making energy available from a variety of resources such as conventional generation, renewables, battery storage, and demand response. SDG&E has extensive experience scheduling intermittent resources, managing resource performance issues in real-time, and responding to CAISO directives to maintain reliability. While also ensuring reliability, SDG&E abides by the least-cost dispatch requirement for regulated utilities in California, which exists to ensure customer costs are minimized.

#### 2.9.3: Detailed description of strategies to expand renewable electricity content

As discussed in our response to the RFSQ, SDG&E's proposed strategy is to conduct energy procurement at the direction of the City through a flexible approach designed to optimize cost, GHG reduction, timelines, economic impact, reliability, and other factors as appropriate. The following *illustrative* scenarios are provided to highlight potential trade-offs between two possible resource types (described further in the introduction to this section) and timing.

SDG&E does not propose these specific illustrative scenarios, guarantee their results, or assume CPUC approval. Instead, we include them to anchor future discussions. In all cases, we assume City customers are served first with SDG&E's projected renewable content (e.g. 49% in 2021)<sup>8</sup> and that SDG&E does not engage in additional unplanned renewable procurement beyond the City-SDG&E program. In reality, it is very possible that SDG&E will conduct additional renewable procurement for our base portfolio

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<sup>8</sup> As such, SDG&E's proposed program differs from our current EcoChoice offering which serves participating customers entirely from a separate portfolio and includes a PCIA charge. Given this difference in program design, costs for EcoChoice are not indicative of cost for a 100% Renewable Energy Program.

before 2035 for resource optimization and to meet future regulatory and legislative requirements. For reference, we also show existing and new customer-sited renewable resources as projected by the California Energy Commission.

### ***Illustrative Scenario #1 – New Renewables Only***

Illustrative Scenario #1 can be described as a strategy based solely on additional procurement of New Local Renewables. City customers would start with SDG&E's forecasted renewable content (shown as the blue bar in Figure 1). New Local Renewables could then be sought at a pace approved by the City to target a 100% renewable portfolio by 2035 (shown as the green bar in Figure 1).<sup>9</sup> If we assume no changes to current load growth, this scenario could require incremental development of an estimated 2,000 MW.

Current market pricing suggests that Illustrative Scenario #1 would result in incremental commodity costs because renewable power is currently more expensive than market electricity.<sup>10</sup> Today, the average price of renewable power is roughly \$20 per MWh more than the average price of market power.<sup>11</sup> Accordingly, under Scenario #1, if a typical residential customer were to use 500 kWh per month of electricity in 2025 and market pricing remained constant over time, the estimated incremental impact to a customer bill would be about \$1 per month in 2017 dollars. This incremental bill impact is derived simply by calculating illustrative monthly bill usage (500 kWh) times the incremental cost of renewable power (\$0.02 kWh) times the incremental procurement of renewables as a percentage of the portfolio (shown here as approximately 10% in 2025). In Table 1 below, the same calculation results in an \$8 per month illustrative incremental impact in 2035. This illustrative impact is not all-inclusive, however, and additional discussion of costs can be found in 2.9.6.

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<sup>9</sup> Renewable procurement could occur through competitive solicitations, which utilize SDG&E's least-cost, best-fit (LCBF) valuation process. The LCBF is intended to identify the project(s) with the best value and portfolio fit as compared with other bids. Additionally, as mentioned, two to four years is the typical time period required for New Local Renewables to become operational.

<sup>10</sup> The City is connected to the CAISO electric grid, which transmits market electricity to all customers from an assortment of in-state and out-of-state generating sources determined by a clearing price auction. The clearing price represents the average price of market power. Typically, natural gas units set the clearing price for the auction, as they are most commonly the marginal units dispatched. As such, the price of natural gas is often used as a proxy for the market price of power.

<sup>11</sup> The incremental cost per MWh of renewable power over market power is reflected in the cost of a REC. There are various proceedings currently before the CPUC that deal with REC valuation and these proceedings value a REC between \$10 per MWh and \$20 per MWh.

Figure 1: Illustrative RPS Portfolio for City of San Diego Customers

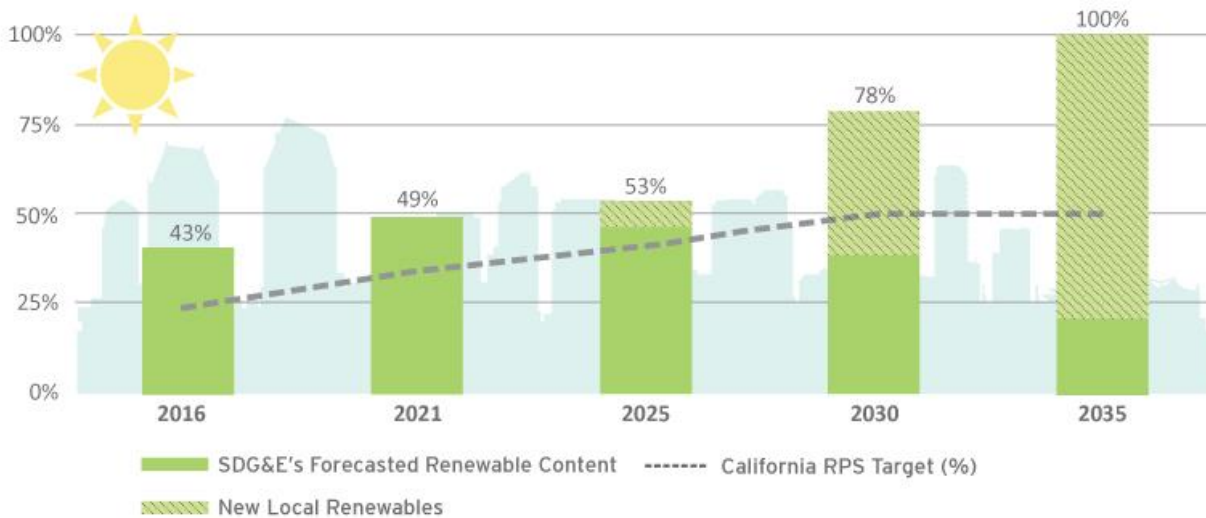


Table 1. Illustrative Scenario #1 Calculations					
	2016	2021	2025	2030	2035
Current California RPS Target (%)	25	35	42	50	50
<b>Energy Provided by SDG&amp;E</b>					
Average incremental commodity cost on a typical residential bill using current REC pricing (\$/month)*	\$0	\$0	\$1	\$4	\$8
Total New Local Renewables purchased (MW)	0	0	250	750	2,000
Total RECs purchased (millions)	0	0	0	0	0
RPS from City-SDG&E 100% Renewable Energy Program (%)	43	49	53	78	100
<b>Energy Provided by SDG&amp;E Plus Rooftop Solar</b>					
Total renewable resources serving City customers (%)	46	52	57	80	100

\*Typical residential customer bill assumes energy usage of 500 kWh/month. Cost calculation is illustrative only and uses a current \$20/MWh estimated incremental cost of renewables and assumes market pricing remains constant over time. Illustrative costs are not all-inclusive. See 1.C.6 for further information.

### ***Illustrative Scenario #2 – Incremental Ramping***

Illustrative Scenario #2 can be described as a strategy to immediately target a higher renewable percentage than Illustrative Scenario #1 without the purchase of RECs. For example, from 2021 to 2025, the City could choose to utilize its customers' pro-rata share of Banked Resources to supplement SDG&E's forecasted renewable content and achieve a 61% RPS by 2021 (shown as the blue bar plus the turquoise bar in Figure 2).<sup>12</sup> New Local Renewables (shown as the green bar) could be sought at the same pace as Illustrative Scenario #1 to raise the City's renewable percentage above 61%. Reliance on Banked Resources could remain capped and New Local Renewables added over time. The City might consider using Banked Resources for several reasons: (1) using Banked Resources now rather than holding onto them for a later date sends a signal that the City is committed to long-term development of renewable projects; (2) while Banked Resources do not provide new GHG reductions, they are stored RECs from generation SDG&E uses to serve its customers and leveraging them in this program

<sup>12</sup> The 61% renewables figure is illustrative in nature and simply indicates a higher level of renewables than is currently forecasted. In practice, different renewable target levels could be selected by the City.

acknowledges the value of investments made by San Diegans to reduce GHG emissions; and (3) since the City does not have to purchase Banked Resources, the renewable percentage more quickly ramps to 100% while costs remain equal to Illustrative Scenario #1.

Figure 2: Illustrative RPS Portfolio for City of San Diego Customers

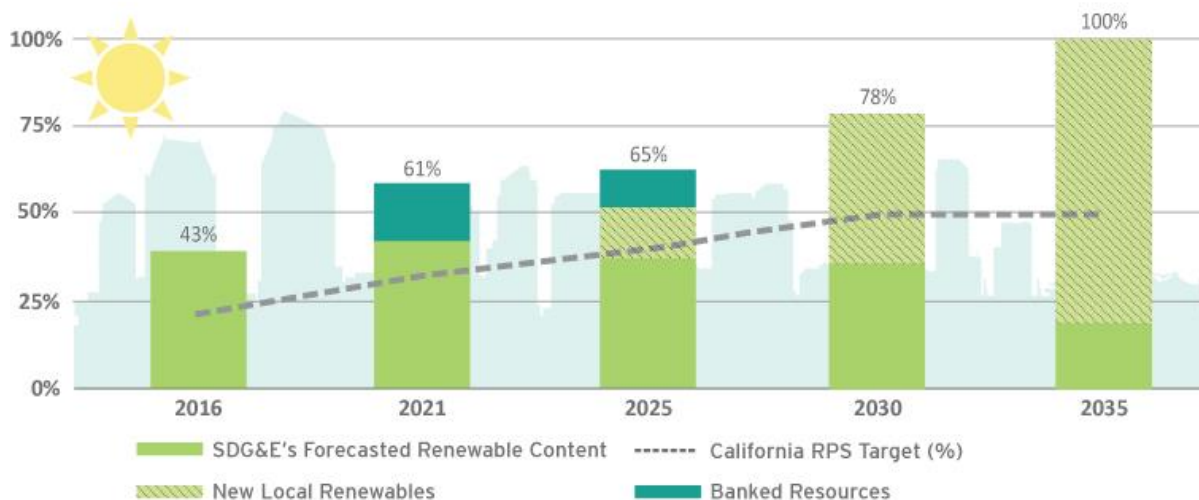


Table 2. Illustrative Scenario #2 Calculations	2016	2021	2025	2030	2035
Current California RPS Target (%)	25	35	42	50	50
<b>Energy Provided by SDG&amp;E</b>					
Average incremental commodity cost on a typical residential bill using current REC pricing (\$/month)*	\$0	\$0	\$1	\$4	\$8
Total New Local Renewables purchased (MW)	0	0	250	750	2,000
Total RECs purchased (millions)	0	0	0	0	0
RPS from City-SDG&E 100% Renewable Energy Program (%)	43	61	65	78	100
<b>Energy Provided by SDG&amp;E Plus Rooftop Solar</b>					
Total renewable resources serving City customers (%)	46	63	68	80	100

\*Typical residential customer bill assumes energy usage of 500 kWh/month. Cost calculation is illustrative only and uses a current \$20/MW estimated incremental cost of renewables and assumes market pricing remains constant over time. Illustrative costs are not all-inclusive. See 1.C.6 for further information.

#### 2.9.4: Ability and experience to procure renewable sources, including local sources

SDG&E's existing energy resource portfolio includes over 60 operating renewable projects, generating roughly 7 million MWh of power annually. Approximately 70% of these projects are located within San Diego County or the Imperial Valley. SDG&E has extensive knowledge of local permitting conditions, development timeframes, and contracting terms needed to ensure safe, reliable, and successful procurement of renewable sources.

### 2.9.5: Detailed schedule/timeline of program implementation

Regarding initial program implementation, timing would ultimately be contingent upon CPUC approval of a joint City-SDG&E application. To prepare such an application, we propose that the City and SDG&E begin designing specific program terms and rules at the conclusion of this RFP process. While there is no definitive timeline for CPUC action, once prepared, an application of this nature typically requires 18 to 30 months for approval (see Figure 3).

However, it is likely that approval timelines could be impacted by ongoing CPUC activity regarding PCIA Reform, the IRP, retail choice initiatives, and legislative activity (see sidebar). **More importantly, these activities are likely to impact both the City's and SDG&E's assessment of the proposed program benefits and costs.** In all cases, we expect to have better information on potential structures, rules, timelines, and/or outcomes by the end of 2018. As such, we have now incorporated an interim decision milestone for both parties within our proposal. Specifically, we propose a formalized decision requirement during the first quarter of 2019 for both parties to review proposed program terms, updated regulatory decisions, and other relevant market conditions in order to decide upon our mutual interest in proceeding with a CPUC application.

The timeline following the end of this section illustrates major steps and anticipated milestones. The assumed application submittal window in the first half of 2019 envisions time to design a comprehensive program, including supporting documentation and testimony.

Assuming CPUC approval of program design, incremental renewable procurement could be sought at the level and timing deemed optimal by the City. The City could collaborate with SDG&E's procurement team on solicitation design, timeframes, and bid shortlisting, with proposed contracts requiring customary approvals. For example, the City could choose its solicitation objectives, rely on SDG&E to run solicitations on the City's behalf, and then participate in contract selection. The City may also consider embedding pricing or timing thresholds into the procurement process to trigger alternative portfolio decisions. For example, should pricing or scheduling impacts associated with new resources become

## CURRENT REGULATORY & LEGISLATIVE ACTIVITIES

**PCIA Reform.** The PCIA is the CPUC's current cost recovery mechanism for customers no longer served by the utility. It is intended to allocate the costs for commitments made by the utility on behalf of customers prior to their departure. Methods for allocating resource costs and benefits after customer departures will materially shape future procurement needs and strategies. The CPUC is in the process of reviewing the PCIA, with a final decision anticipated in 2018. See:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=196148190>.

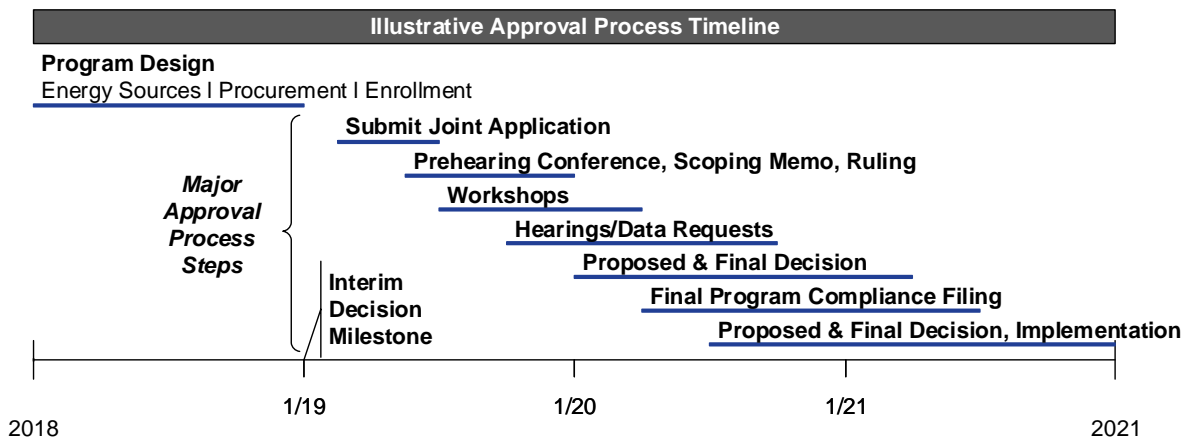
**IRP.** The IRP is a statewide process for electric procurement planning. It is intended to guide the procurement plans for all load serving entities to reach the State's 2030 GHG reduction goal for the electric sector. The IRP's first planning cycle is for 2017-2018, with procurement guidance expected next year.

**Retail Choice Rulemaking.** Retail Choice is a market structure where customers choose their energy provider in a competitive marketplace. Under Retail Choice, limits on Direct Access could be lifted and customers could choose their energy provider from amongst utilities, Community Choice Aggregation, and private-sector Energy Service Providers, for example. Earlier this year, the CPUC indicated its intention to open a Rulemaking on this topic. As a first step, a CPUC public workshop is scheduled for October 31, 2017 to gather stakeholder input. The CPUC plans to issue a White Paper in early 2018 on retail choice models and to follow soon thereafter with a second workshop.

**SB 100.** This Senate Bill was introduced in the 2017 California Legislative Session and is expected to be revisited in 2018. The latest form of the bill would require 60% RPS by 2030, and plan for 100% of retail load to be served by a mix of RPS-eligible and zero-carbon resources by 2045.

constraining at times, the City could switch to a heavier reliance on existing resources. Or, should new build projects arise at opportune moments, the City could accelerate procurement of those resources. Typically, from solicitation to project operation, procurement of new renewable resources will require two to four years. Implementation of this type of procurement process will require staff and expertise not only from SDG&E, but from the City, as discussed further in the section below.

Figure 3: Illustrative Timeline



#### 2.9.6: Detailed description of estimated costs

SDG&E cannot provide projected rates under a 100% Renewable Energy Program, and more generally, does not project rates out to 2035 due to significant uncertainties associated with energy markets, energy prices, and regulatory and legislative rules and requirements and the associated risks of providing potentially misleading information. For this proposal, program costs will also depend on the portfolio strategies chosen by the City. Since we are recommending a flexible approach that optimizes City goals and market conditions, we do not have a basis to project future costs. Nevertheless, to assist the City in its RFP analysis, we provide the following information on cost categories and cost drivers:

##### ***Incremental Commodity Costs***

As discussed previously, if current market conditions persist, a 100% Renewable Energy Program would result in incremental commodity costs because renewable power is currently more expensive than market power. Actual incremental commodity costs of the proposed program, however, will depend on the future price of market power, the future price of renewable power, and grid conditions, among other factors.<sup>13</sup> In our illustrative scenarios, we provide a commodity cost calculation based on current data that would result in an \$8 per month (in 2017 dollars) incremental bill impact for an average customer using 500 kWh per month of electricity. This is not a cost estimate for the 100% Renewable Energy Program, as this calculation is not based on future price projections and is not inclusive of other likely program and non-program costs.

<sup>13</sup> As new renewables are built to serve the City, there could be project-specific costs associated with integration onto the grid. Some of these project-specific integration costs will be paid for by developers and therefore included in project pricing through the renewable commodity cost.

### ***Other Likely Program Costs***

Like any other program, the CPUC will seek to ensure that, consistent with law, non-participating customers do not bear costs that are attributable to the City's 100% Renewable Energy Program. Thus, any SDG&E administrative, billing, financing, or other procurement-related costs (for example, those related to holding bidder conferences) that arise specifically because of this program would have to be borne by City customers. Similar to the commodity cost component, these other program costs will be determined by the City's choices with regard to program design and timing, among other factors.

In addition, the City itself may incur costs associated with participating in the proposed procurement process. As the City and SDG&E develop a program for approval by the CPUC, the City will need dedicated, full-time staff (likely a small team of 2-3 employees with expertise in energy markets, credit risk, and financial planning) to engage in the development of the program and CPUC application. Furthermore, any costs related to outreach and marketing to City residents, depending on design of the program, would likely be allocated and incorporated into the tariff for which all City residents would take service.

### ***Other Likely Non-Program Costs***

More generally, the State and local transmission and distribution system may require additional investment to integrate new renewables procured for the City. Some of these costs will be embedded in project pricing while some of these costs may be socialized to all electric customers through system-wide investments. In the case of socialized costs and in accordance with FERC rules, City customers will be responsible for their pro-rata share irrespective of their load-serving entity.

### ***Key Cost Drivers***

While SDG&E does not provide rate forecasts for the 100% Renewable Energy Program, we expect that the key commodity cost drivers will be the cost of market power, the cost of renewable technologies, and the cost of developing renewable projects in the local area.<sup>14</sup> Each of these factors in practice could make our illustrative incremental monthly bill impact of \$8 per month in 2035 for a 500-kWh customer smaller or larger by a material amount. For example:

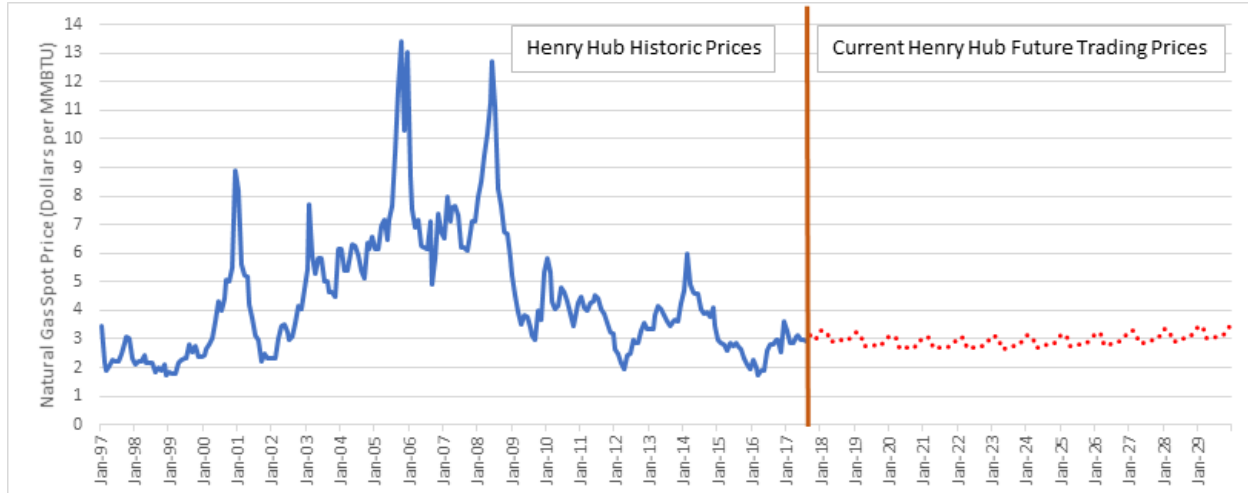
1. **Cost of market power:** In California, the cost of natural gas can serve as a good proxy for the cost of market electricity. The cost of natural gas is near all-time lows and currently stands at around \$3 per MMBTU. As shown in Figure 4, the forward price curve for natural gas reflects an expectation that gas prices will remain flat for the foreseeable future. While SDG&E does not forecast natural gas prices, this data suggests that the cost of market power could remain relatively constant during the proposed program.

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<sup>14</sup> Regulatory rules, counterparties, and contracting strategies (e.g. contract tenure) can also have a material impact on each project's total cost and probability of success.



Figure 4: Natural Gas Prices, 1997-2029<sup>15</sup>



2. **Cost of renewable technologies:** Unlike natural gas, renewable power is not traded in the market with the same liquidity and a forward price curve for wind or solar does not exist. Nevertheless, there are certain expected market developments that could impact renewable pricing going forward:
  - a. Further technology growth:<sup>16</sup> Figure 5 shows a significant decline in utility-scale solar photovoltaic (PV) pricing from 2010-2017.<sup>17</sup> According to the National Renewable Energy Laboratory (NREL), a big portion of this decrease was due to the cost of PV modules dropping 85% from \$2.12 per watt in 2010 to \$0.31 per watt today. Indeed, renewable contract prices and implied REC costs have decreased since 2010 accordingly. Further panel innovation could continue to drive down solar pricing, albeit at a pace that may differ from historical trends.

<sup>15</sup> Historical prices are from EIA (<https://www.eia.gov/dnav/ng/hist/rngwhhdm.htm>), and future pricing is from the InterContinental Exchange (<https://www.theice.com/marketdata/reports/142> symbol "H" from 9/21/2017).

<sup>16</sup> Other renewable technologies have also experienced innovation and price declines, we choose solar as one example here. However, SDG&E is technology agnostic and proposes to procure resources on a least-cost best-fit approach that may include a variety of resource types.

<sup>17</sup> <https://www.nrel.gov/docs/fy17osti/68925.pdf>



Figure 5: NREL Utility-Scale PV Benchmark Summary (Inflation-Adjusted), 2010-2017<sup>18</sup>

2010 USD per Watt DC	2010	2011	2012	2013	2014	2015	2016	2017
Module	\$2.12	\$1.89	\$0.98	\$0.59	\$0.60	\$0.59	\$0.57	\$0.31
Inverter	\$0.24	\$0.28	\$0.24	\$0.16	\$0.11	\$0.10	\$0.10	\$0.05
Hardware BOS - Structural and Electrical Components	\$0.66	\$0.58	\$0.50	\$0.43	\$0.37	\$0.34	\$0.22	\$0.22
Soft Costs - Install Labor	\$0.54	\$0.48	\$0.45	\$0.44	\$0.21	\$0.18	\$0.14	\$0.12
Soft Costs - Others (PII, Land Acquisition, Sales Tax, Overhead, and Net Profit)	\$1.22	\$0.81	\$0.59	\$0.48	\$0.59	\$0.52	\$0.31	\$0.27
<b>Total</b>	<b>\$4.78</b>	<b>\$4.03</b>	<b>\$2.77</b>	<b>\$2.10</b>	<b>\$1.88</b>	<b>\$1.73</b>	<b>\$1.35</b>	<b>\$0.97</b>

- b. Incentives and tariffs: According to Lazard’s Levelized Cost of Energy study, expiration of federal tax credits could increase solar costs by ~25% and wind costs by upwards of 200% (depending on the wind resource area).<sup>19</sup> Future tariff policies could also raise renewable pricing. On September 22, 2017, the U.S. International Trade Commission found that solar panels and cells “...are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry.”<sup>20</sup> If a tariff is ultimately levied at the level requested by the plaintiffs, solar project costs may increase upwards of 50%. If solar prices were to increase due to tariffs and the tax credits expire, this could double the implied price of solar RECs.
- c. Renewable Integration Costs: The CPUC has attempted to estimate the cost of integrating renewable resources onto the grid.<sup>21</sup> Integration costs may include upgrades to the distribution and transmission system or those associated with required procurement of additional flexible resources to backstop intermittency, among other items. Currently the CPUC has estimated that integration costs are about \$4/MWh for wind and \$3/MWh for Solar.<sup>22</sup> These integration costs would be incurred regardless of which entity conducts procurement and is not included in the current \$20/MWh REC price. Looking ahead, integration costs could vary with

<sup>18</sup> <https://www.nrel.gov/docs/fy17osti/68925.pdf> page 56

<sup>19</sup> <https://www.lazard.com/media/438038/levelized-cost-of-energy-v100.pdf>; page 4 comparison of subsidized and unsubsidized wind and solar costs. Under current federal tax rules wind projects beginning construction in 2020 don’t qualify for any tax credits; however, solar projects beginning construction in 2022 and later would still receive a 10% tax credit instead of today’s 30% credit.

<sup>20</sup> [https://www.usitc.gov/press\\_room/news\\_release/2017/er09221832.htm](https://www.usitc.gov/press_room/news_release/2017/er09221832.htm)

<sup>21</sup> D.14-11-042; see pages 58-64 for the interim methodology values and discussion. The determination of the final and ongoing methodology has been moved to the Integrated Resource Planning (IRP) proceeding (R.16-02-007)

<sup>22</sup> Resource Adequacy is the requirement to provide sufficient resources to the electric grid to ensure safe and reliable operation.

technology change and the level of renewables integrated (note: the CPUC study did not contemplate a 100% renewable case).

3. **Local development costs:** The cost and feasibility of developing 2,000 MW of new local renewables will depend on permitting and land conditions, interconnections, and local community interest. One indication of potential development conditions is the status of projects currently in the interconnection queue.<sup>23</sup> While each project in the queue is not guaranteed to move forward, there are over 2,300 MW of potential renewable projects currently in the CAISO interconnection queue for San Diego and Imperial Counties<sup>24</sup> and another 1,000 MW in Imperial Irrigation District's interconnection queue.<sup>25</sup>

### 2.9.7: Analysis of GHG Emission Reductions

The level and timing of GHG emission reductions from renewable energy procurement will depend on the portfolio strategy utilized. For example, if 2,000 MW of New Local Renewables are built by 2035, the associated GHG emission reduction is estimated at over 2 Million Metric Tons of CO<sub>2</sub>.<sup>26</sup> This reduction represents roughly 20% of the City's Climate Action Plan (CAP) goal of 10.4 Million Metric Tons of CO<sub>2</sub>.<sup>27</sup>

Estimated reductions from this level of renewable resource investment are substantial but will not suffice to reach the City's CAP goal of reducing emissions below the 2010 baseline by 40% by 2030 and 50% by 2035. Since transportation accounted for 55% of the City's emissions in 2010, compared with only 24% for electricity, investments in complementary measures such as clean transportation and renewable natural gas will be essential. SDG&E is qualified and stands ready to offer options to the City for GHG reductions in these vital areas.

### 2.9.8: Potential Risks

In addition to the significant regulatory uncertainty associated with active CPUC proceedings (see p. 10 for further discussion), market limitations on new generation and geographic and/or electrical system conditions may hinder the ability for the City to achieve 100% renewables at any given time, while ensuring affordability and reliability. For example, intensive renewable development in the City would require a streamlined permitting environment. Regulatory changes (such as the relatively new requirement that at least 65% of the procurement a retail seller counts toward the RPS requirement must be from long-term contracts)<sup>28</sup> could affect pricing, location, and timing. In addition, pending regulatory action in the areas of bundled customer indifference methodologies, IRP requirements, and

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<sup>23</sup> To ensure safe and reliable service, electric generators can only connect to the grid if the grid has sufficient ability to receive the power from the facility. The CAISO and SDG&E study grid capacity and adding new generation resources through use of a queue system.

<sup>24</sup> <https://rimspub.caiso.com/rim5/>; report as of 9/25/2017, sorted by Type-1 for Wind Turbines and Photovoltaic, excluding current online dates in the past.

<sup>25</sup> [http://www.oatioasis.com/IID/IIDdocs/Generator\\_Interconnection\\_Queue\\_03.20.2017.pdf](http://www.oatioasis.com/IID/IIDdocs/Generator_Interconnection_Queue_03.20.2017.pdf); published 3/20/17 total MWs excluding projects online and suspended GIAs.

<sup>26</sup> Incremental renewable production in 2035 multiplied by 0.428 MT of CO<sub>2</sub>e/MWh per California Code of Regulations (CCR), title 17, division 3, Chapter 1, Subchapter 10, Article 2, Sub article 2, Section 95111(b)(1).

<sup>27</sup> See Table 3.1 p. 30 of City's CAP.

<sup>28</sup> This requirement was added by SB 350 (approved October 7, 2015) and defines long-term contracts to be those of 10-years or longer duration; see Public Utilities Code Section 399.13(b).

retail choice could impact any proposed City-SDG&E program strategy. To the degree other customers in California choose to pursue a 100% renewable energy program, grid conditions could pose reliability risks.

On a specific program level, SDG&E would need to secure approval from the CPUC for all aspects, and there is risk that the CPUC would deny this approval or request changes to program design. SDG&E believes there are several important factors, however, that could mitigate CPUC approval risk:

- SDG&E would recommend a joint filing of the application by SDG&E and the City;
- The program would be structured and managed in a manner that supports the City's CAP and clean energy objectives, which are aligned with and support State goals;
- City customers will have the option to opt out of the program and non-participating customers will not experience cost increases due to the proposal;<sup>29</sup> and
- The program would be subject to ongoing CPUC oversight and regulation.

#### 2.9.9: Additional Program Benefits

In addition to GHG reduction, if 2,000 MW of New Local Renewables are built by 2035, the City (and San Diego County more generally) could realize major business and economic benefits. Based on the National Renewable Energy Lab's Jobs & Economic Development Impacts (JEDI) model, this level of project development could create over 500 direct and indirect jobs and \$50 million of output annually.<sup>30</sup>

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<sup>29</sup> While additional legal research may be required regarding City requirements for an opt-out program, we believe the regulatory avenue for requesting this treatment is through the application.

<sup>30</sup> Using the JEDI model, construction of 2,000 MW of renewable projects creates over 25,000 temporary jobs. Approximately 40% of those temporary jobs are associated with construction and construction related services.

## **Tab C - Cost/Price Proposal**

### **Tab C - Cost/Price Proposal.**

The requirements of Tab C are met within Section 2.9, see sub-sections 2.9.3 and 2.9.6.

# **APPENDIX I**

## Qualifications

### 1. Minimum Requirements.

**The Respondent must hold and, at all times, maintain current all Federal and State licenses to perform the required services in the State of California. Provide proof of required licensures.**

SDG&E is permissibly self-insured by the State of California and maintains in full force and effect insurance policies with insurance companies authorized to do business in the state in which the services are to be performed.

### 2. Respondent's Qualifications and Experience

#### **a. Describe Respondent's ability to perform the desired services.**

SDG&E provides electricity to 3.6 million people with resources required to meet a maximum peak load of about 4,800 MW. In 2016, 43% of the energy delivered to customers was from renewable resources. SDG&E currently has over 60 operating renewable projects in its portfolio, providing roughly 7 million MWh of power annually, and approximately 70% of those projects are located within San Diego or the Imperial Valley. SDG&E has been recognized as the most reliable electric utility in the West for 11 years running and all renewable resources are regularly reviewed by the CPUC and approved within SDG&E's annual Energy Resource Recovery Account (ERRA) proceeding.

#### **b. Describe any special characteristics, limitations, exceptions, or requirements Respondent may have in providing the requested services.**

All services that SDG&E would provide to the City would be subject to regulation of the CPUC. Eligible residential and commercial/business customers would be located within the City and would have the opportunity to opt out and return to standard service. The program, and all contracts signed under the program, would require prior approval from the CPUC and be subject to ongoing CPUC oversight.

#### **c. Describe any attributes that distinguish Respondent from others offering similar services.**

SDG&E cannot speak about other service providers. Instead, we refer to our long-standing commitment to the community. SDG&E is deeply rooted in the neighborhoods we serve and is dedicated to bringing San Diegans clean, safe, and reliable energy. We have invested in the local community for over 100 years, through emergencies, natural disasters, and major market evolutions. Our mission to build the cleanest, safest, and most reliable energy company in America is bold and grounded in improving the lives of our customers and communities. It is a mission that we must accomplish, together. For our part, we are dedicated to harnessing our expertise and ensuring we contribute to our joint goals.

### Energy Procurement and Delivery

SDG&E has engineered, constructed and operated energy infrastructure in the San Diego region for over 100 years, providing energy security and resiliency to customers within our service territory. With over 4,000 local employees of which approximately 1,900 reside in the City of San Diego and approximately 1,110 are represented employees, SDG&E is uniquely qualified to provide expertise in project development, energy data analysis, power systems engineering, CAISO market integration, and reliable electric storage, distribution and transmission operations. In renewable energy procurement, SDG&E has developed a deep understanding of the local permitting environment for renewable projects, both small and large, and the appropriate siting of local renewables to maintain grid reliability. SDG&E's renewables portfolio exhibits diversity in supplier and resource mix, reducing customers' exposure to counterparty risk and project failure.

Furthermore, SDG&E has deep historical knowledge of legislative and regulatory issues facing the California energy market and has extensive and successful history working with the CPUC and Federal Energy Regulatory Commission (FERC) regarding regulatory approvals for energy projects. Our dedicated team includes legislative and regulatory staff based in Sacramento and San Francisco, as well as knowledgeable legislative and regulatory attorneys at our main campus in San Diego. Our efforts have helped shape legislative and regulatory policy, making SDG&E an industry leader in advancing a clean energy future.

### Marketing, Communication & Outreach

SDG&E has a direct, meaningful, and long-standing relationship with the residents of the City of San Diego, both commercial and residential. As the City engages in an energy dialogue with customers regarding its GHG reduction goals, we propose to jointly leverage the brands, tools, and strengths of both the City and SDG&E. Specific skills and resources SDG&E could provide to support a 100% Renewable Energy Program as well as the City's larger CAP include:

#### **Investing in Communities:**

- SDG&E is committed to building partnerships with local community-based organizations, from supporting safety and emergency preparedness to environmental education and awareness and inspiring future leaders. We listen, volunteer, and give to the communities we serve.
- SDG&E runs one of the largest corporate giving programs in the region. In 2016, we awarded \$8 million in charitable contributions to nearly 600 non-profit organizations in San Diego and southern Orange counties. Our employees have the desire to invest as well, as more than 2,400 of our employees gave more than \$770,000 from their own paychecks to the charities they are passionate about.

#### **Supporting Customers:**

- All SDG&E's customers, both residential and commercial, have access to SDG&E's experienced employees who provide a wide array of services to help customers with their energy needs. We host workshops, seminars and hands-on training programs at our Energy Innovation Center with topics ranging from renewables and sustainability and energy management strategies to trade professional series and building standards.
- In addition to answering account and energy inquiries, SDG&E's call center is available to all customers 24 hours a day, 7 days a week for emergencies. We have also re-trained and re-titled all customer contact representatives to now serve as energy services specialists, to assist



customers in meeting their own goals around renewable energy, electric vehicles and other energy saving needs.

- Our award-winning customer assistance programs have broad support in underserved and hard-to-reach communities and support all customers in energy and cost savings measures. Our third-party engagement with community organizations also broadens outreach in a meaningful and measurable way.
- SDG&E's Local Government EE (Energy Efficiency) Partnership with the City of San Diego provides the City with funding, training and education and outreach resources that result in energy savings, reduced GHG emissions and advancements in implementation of best in class projects (Adaptive Control Streetlighting) that directly affect energy reduction. This EE Partnership supports the City's energy efficiency goals, GHG reduction goals and the Climate Action Plan strategies through activities such as Municipal facility retrofits, staff training and outreach, establishment of a Green Business Network and collaboration with other local governments. From early adopters to working families, we have looked at how to best communicate with the wide variety of customers in SDG&E's service area. Our research shows that communication tactics need to vary from area to area, and we are willing to share and leverage that data as a key component of a City-SDG&E program.
- Our well-informed customer segmentation strategies also enable us to communicate with customers through targeted bill inserts, email, social media and other channels that resonate for these complicated topics.

#### **Educating and Communicating with Customers:**

- SDG&E has a long history rolling out complicated energy products and services. Whether it is the smart meter rollout and energy usage data communications, or launching and educating business customers about smart and dynamic pricing – we are skilled in speaking with customers about their energy needs in a way that works for them.
- We have segmented customers in many different ways. From early adopters to working families, we have looked at how to best communicate with the wide variety of customers in SDG&E's service area. Our research shows that communication tactics need to vary from area to area, and we are willing to share and leverage that data as a key component of a City-SDG&E program.
- Our well-informed customer segmentation strategies also enable us to communicate with customers through targeted bill inserts, email, social media and other channels that resonate for these complicated topics.

#### **Advocating for Clean Energy:**

- We believe clean energy is a good thing and necessary. We have Community Relations, Media Relations, Customer Communications, Business Services and Regional Public Affairs teams standing ready to support the City in engaging the community in this move to a cleaner energy future. We are proud of SDG&E's renewable accomplishments and are actively educating customers about renewable energy benefits and grid considerations.
- We will work with the City of San Diego to effectively communicate with our customers and your residents about the benefits of clean energy and the City's leadership role in increasing the use of renewables. We stand ready to share the City's good news.
- Our social media team is also skilled at communicating in the next generation of communications. We have nearly 50,000 followers across our platforms, many of whom are in the City of San Diego.

Across all areas, we believe that leveraging the respective resources of both SDG&E and the City will be imperative for success.

**d. Describe Respondent's commitment to supporting the achievement of the City's 100% renewable electricity goal.**

SDG&E is committed to continuing our collaborative relationship with the City and supporting the City's GHG reduction goals. Our mission is to build the cleanest, safest, and most reliable energy company in America. We have proposed a flexible approach to energy procurement, designed to optimize the City's portfolio across multiple objectives. We believe a flexible approach will deliver the greatest CAP success, given pending changes in the regulatory and market environment. Beyond energy procurement, SDG&E stands ready to support the City in pursuing essential activities in energy efficiency, electric vehicles, and other complementary GHG reducing programs.

### 3. Provisos or Conditions

**a. If Respondent's statement of qualifications is subject to any provisos, conditions, or consents of other parties or agencies, the statement must clearly identify such conditions and describe how those conditions would be met.**

Any services provided by SDG&E would be subject to CPUC jurisdiction and any required approvals. SDG&E would seek approval from the CPUC for any new arrangements with the City.

This RFP response is not intended to be, nor shall it be, construed as either a binding commitment or an attempt to define all terms and conditions of the proposed transaction described herein. Rather, it is intended to set forth an outline of certain proposals for discussion and acknowledges significant uncertainty in the procurement environment. Any legal obligations between SDG&E and the City shall arise only after definitive written agreements have been negotiated by the City and SDG&E in form and content satisfactory to all parties, all necessary approvals to enter into such agreements have been obtained, and the parties have executed and delivered such definitive written agreements. SDG&E retains the right in its sole discretion to determine, for any reason, not to participate in the proposals described herein.

### 4. Staff Qualifications and Experience

**a. List by name and title the team that would be involved in the proposed projects supporting the achievement of the City's 100% renewable electricity goal. Provide office location, phone number, and email address for each. Identify the contact person who will have primary responsibility and summarize this person(s) background, expertise, and authority to represent Respondent.**

- Emily Shults (Primary Contact), Vice President – Energy Supply
  - Office Location: 8330 Century Park Court, San Diego, California 92123
  - Phone Number: 858-654-8634; Email: [ECShults@semprautilities.com](mailto:ECShults@semprautilities.com)
- Kendall Helm, Director – Origination and Portfolio Optimization
  - Office Location: 8315 Century Park Court, San Diego, California 92123
  - Phone Number: 858-650-6156; Email: [KHelm@semprautilities.com](mailto:KHelm@semprautilities.com)
- Fernando Valero, Partnerships and Programs Manager

- Office Location: 8315 Century Park Court, San Diego, California, 92123
- Phone Number: 858-654-1674; Email: [FValero@semprautilities.com](mailto:FValero@semprautilities.com)
- Todd Cahill, Director – Business Services
  - Office Location: 8306 Century Park Court, San Diego, California, 92123
  - Phone Number: 858-654-1745; Email: [TCahill@semprautilities.com](mailto:TCahill@semprautilities.com)
- Dinah Willier, Account Manager
  - Office Location: 8306 Century Park Court, San Diego, California, 92123.
  - Phone Number: 858-654-1135; Email: [DWillier@semprautilities.com](mailto:DWillier@semprautilities.com)
- Warren Ruis, Director – Regional Public Affairs
  - Office Location: 8330 Century Park Court, San Diego, California 92123
  - Phone Number: 619-696-2562; Email: [WRuis@semprautilities.com](mailto:WRuis@semprautilities.com)
- Claudia Valenzuela, Public Affairs Manager
  - Office Location: 8330 Century Park Court, San Diego, California 92123
  - Phone Number: 858-654-8307; Email: [CValenzuela@semprautilities.com](mailto:CValenzuela@semprautilities.com)
- Jim Baker, Assistant General Counsel
  - Office Location: 8330 Century Park Court, San Diego, California, 92123
  - Phone Number: 858-654-1752; Email: [JWBaker@semprautilities.com](mailto:JWBaker@semprautilities.com)

**b. Provide a description of the expertise and qualifications of these professionals including brief summaries of experience related to supporting the achievement of the City's 100% renewable electricity goal. Provide as an exhibit to your submission brief resumes of each individual.**

- **Emily Shults**

Emily Shults serves as Vice President of Energy Supply for San Diego Gas & Electric (SDG&E) and has been in her current position since August 2015.

Primary responsibilities include overseeing the company's electric and gas procurement, operations and trading, settlements, electric generation and resource planning. Prior to current role and responsibilities, Emily served as Director – Construction Services. In that role, Emily was responsible for the work of third party contractors on SDG&E's transmission and distribution system in the roles of construction, vegetation management, and aviation services.

Emily joined SDG&E in April 2015 and has deep experience in all aspects of origination, trading, portfolio optimization, and settlements. During her thirteen-year career with the non-utility Sempra Energy family of companies, she served as managing director, director gas and power trading, director gas and power marketing, manager of origination and portfolio optimization and various other roles. Prior to joining Sempra, Emily worked with the John Zink Company, Williams Energy Marketing and Trading and Deloitte and Touche LLP.

Emily holds a Bachelor's degree in accounting from the University of Tulsa.

- **Kendall Helm**

Kendall Helm is the Director of Origination and Portfolio Optimization in the Energy Procurement department at SDG&E since June 2016.

Kendall oversees the procurement of all long-term energy resources. Primary responsibilities include overseeing the procurement process and managing the review of bids received within solicitations, including the Track IV Decision, Demand Response Auction Mechanism, Resource Adequacy, Renewable Auction Mechanism and Green Tariff Shared Renewables.

Kendall has been with the Sempra Energy family of companies since 2012. Prior to current position at SDG&E, Kendall was the Director of Investor Relations at Sempra Energy. Kendall has also worked as Manager of Corporate Economics for Sempra Energy, where she provided research on the company's valuation, capital structure and corporate strategy. Prior to joining the Sempra Energy companies, Kendall was Senior Economist for International Affairs and Trade at the U.S. Government Accountability Office, where she reported to Congress on topics relating to climate change, energy export promotion, and international competitiveness.

Kendall received a bachelor's degree in economics and international studies from the University of Denver and a Ph.D. in economics from American University.

- **Fernando Valero**

Fernando Valero is the Partnerships and Programs Manager of Origination and Portfolio Optimization department in Electric and Fuel procurement for SDG&E and has been in his current position since 2015. Fernando is responsible for developing, guiding and implementing regulatory procurement policy and programs at both the legislative and State agency (CPUC, California Energy Commission, California Air Resources Board) level.

Prior to his current role, Fernando worked on the negotiation, signing and project management of numerous wind and solar projects which help SDG&E meet its Renewable Portfolio Standard (RPS) requirements. Prior to joining SDG&E in 2010, Fernando worked for Sempra Energy as a legal research attorney in the regulatory department where he started in 2008. Prior to this time, he worked in various capacities in the biotech industry.

Fernando holds a BS in Biology from the University of Arkansas, a JD from Thomas Jefferson School of Law, and an MBA from San Diego State University. Fernando is a member of the State Bar of California.

- **Todd Cahill**

Todd Cahill is the Director of Business Services for SDG&E. Primary responsibilities include all customer service-related activities and relationships with SDG&E's business customers and community. Todd began work at SDG&E in 2002 as a Regulatory Analyst and has held positions of increasing responsibility through his career.

Todd holds a BA in Political Science from Brigham Young University, and an MBA from San Diego State University.

- **Dinah Willier**

Dinah Willier is an Account Manager in the Business Energy Services Department since 2005. Dinah's primary responsibilities include managing customer service related activities for gas-powered generation customers and municipal customers, including the City of San Diego.

Prior to joining SDG&E, Dinah was employed by various non-regulated companies marketing natural gas to commercial and industrial end-users and with Southern California Gas Company as an Account Manager to the petroleum industry.

Dinah holds a BS in Computer Engineering from the University of the Pacific.

- **Warren Ruis**

Warren Ruis is Director of Regional Public Affairs for SDG&E. In this role, Warren is responsible for the Company's support of local governments, elected officials, staff and certain regional agencies. Prior to this assignment, Warren was the Director of Community Relations for SDG&E, where he was responsible for building the Company's philanthropy, employee and community engagement strategies. Warren's team managed a diverse group of more than 600 non-profit partners San Diego and Southern Orange Counties.

Warren has a Bachelor's Degree in Business Administration (Management) from the University of San Diego, a Master's Degree in Business Administration (Finance) from Pepperdine University, a Certificate in Project Management from the University of California at Berkeley, and an Associate in Risk Management (ARM) from the American Institute for Chartered Property and Casualty Underwriters.

- **Claudia Valenzuela**

Claudia Valenzuela has served as a Public Affairs Manager for SDG&E since 2006. In Claudia's current role, she is responsible for managing the Company's day-to-day activities and relationships with City of San Diego elected officials and the senior executive team, and other regional stakeholders in the greater San Diego area. Claudia's primary responsibilities include: managing collaboration efforts between SDG&E and the City of San Diego on critical infrastructure projects; and advocating on behalf of SDG&E on matters related to the company's clean, safe and reliable energy policies and programs.

Claudia holds a BA in Political Science and Spanish from the University of San Diego.

- **Jim Baker**

Jim Baker is the Assistant General Counsel at SDG&E overseeing the commercial law group. In his current role, Jim works on the legal issues for various energy related contractual matters. Jim received his JD from the University of Chicago Law School in 1991, and has been with the SDG&E/Sempra Energy family of companies since October of 2007.

## 5. Financial Capacity

SDG&E has a strong balance sheet with over \$16 billion in total assets supported by an investment grade credit rating of A1. When designing financial terms of any proposed program, the CPUC will seek to ensure that non-participating customers are held financially indifferent.

## 6. Other Considerations and Requirements

As mentioned in our cover letter, achieving the City's GHG goals will require a host of complementary efforts. In addition to a 100% Renewable Energy Program, SDG&E is expanding EE programs, investing in battery storage, and developing a clean transportation infrastructure. The combined benefit of these efforts brings unique value to the services we can provide. For example, SDG&E has identified enhancements and new solutions to its EE programs to reduce the amount of energy consumed by the City and its residents and businesses. These enhancements include additional customer incentives, workforce education and training programs, and a more extensive on-bill financing program, among other initiatives. With regard to battery storage, SDG&E now owns and operates the world's largest lithium ion energy storage facility. Furthermore, California Assembly Bill 2868 directs the CPUC to support the Investor Owned Utilities in the accelerated deployment of energy storage by December 2020, which SDG&E is encouraged to submit up to 166 MW of energy storage applications with a prioritization of investments to the public sector and low-income customers. And, as the transportation sector accounts for the largest source of GHG emissions, SDG&E's clean transportation initiatives offer an important and unique value. For example, the City Council adopted an ordinance on September 12<sup>th</sup>, 2017 authorizing the Mayor to enter into agreements with SDG&E to install approximately 190 charging stations for City employees and fleet vehicles through SDG&E's Power Your Drive Program. Introduction of an hourly time-variant rate under this program will also yield important grid benefits, including the ability to potentially mitigate electric market impacts from overgeneration of renewable resources during the middle of the day. Given the importance of education on use, ownership and managing electric vehicle investments, SDG&E has committed \$7.5 million to develop a bold new community-wide education campaign to accelerate San Diego's journey to becoming America's clean transportation capital.

## 7. Respondent shall complete and submit a Contractor Standards Form.

Please refer to Tab A, 2.2.

# **APPENDIX II**

## Appendix II

Resource Type	Qualify for CA RPS	Incremental GHG Impact		Incremental Economic Development		Incremental Job Creation		Infrastructure, Land, Feasibility, Integration Challenges	Current price for the renewable attribute***	Lead Time
		California	Local	California	Local	California	Local			
New Renewables										
New Local Renewables	Yes	Decrease	Decrease	Yes	Yes	Yes	Yes	Potentially depending on amounts and timeframes	~\$20	2-4 Yrs.
New In-State Renewables	Yes	Decrease	None**	Yes	None	Yes	None	Potentially depending on timeframes	~\$20	2-4 Yrs.
New Out-of-State Renewables with partial delivery*	Yes, up to 15%	None	None	None	None	None	None	None, easily achievable	~\$1-\$2	2-4 Yrs.
Existing Resources										
Banked Resources	Yes	None	None	None	None	None	None	N/A	\$0	Minimal
Local RECs	Yes	None	None	None	None	None	None	N/A	~\$20	Minimal
In-State RECS	Yes	None	None	None	None	None	None	N/A	~\$20	Minimal
Out-of-State WECC RECS	Yes, up to 10%	None	None	None	None	None	None	N/A	~\$1	Minimal

\* Partial delivery refers to RECs whose underlying power is not brought into California but are eligible for the RPS-Adjustment.

\*\* Depending on location of the facility, there may be minimal GHG benefits locally (e.g. for example if a renewable project was very near SDG&E's service territory and allowed gas-fired generation in SDG&E's territory to be dispatched less).

\*\*\* Prices are approximations and per MWh. Prices do not reflect integration costs and are net of market revenues.



## **RFP No. 10089288-18-F**

### **Questions and Answers**

#### **Question 1**

According to the City of San Diego's Request For Proposals (RFP) for 100% Renewable Energy (Solicitation Number: 10089288-18-F), Section B 2.2 describes a Mandatory Interview/Oral Presentation. San Diego Gas & Electric (SDG&E) requests further clarification about the requirements for the oral presentation.

#### **Answer 1**

**As stated in Section B. 3.3 in the RFP, "interviews and/or oral presentations will be made to the Evaluation Committee in order to clarify the proposals and to answer any questions." The interview will be mandatory and typically will include a portion of the scheduled time made available for the proposer to present their proposal and the remainder of the time used for the evaluation committee to ask questions of the proposal team. Any additional requirements of the oral presentation portion of the interview (e.g., specific questions to address in presentation) will be provided to the proposer once the evaluation team has reviewed the content and quality of the proposal.**

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#### **Question 2**

Upon SDG&E's submission in response to the City of San Diego's RFP (Solicitation Number: 10089288-18-F), is there a timeline for a response by the City of San Diego? Furthermore, are there any additional processes for SDG&E after an RFP response submission (i.e. Council Meeting presentations, committee presentations, etc.)?

#### **Answer 2**

**The City of San Diego will respond to the proposer in a timely manner in response to the submission of a proposal. Additional details of processes will be determined once the content and quality of the proposal is evaluated. If the City chooses to continue negotiations with the proposer, the City may request the proposer attend any relevant meetings such as Council or Council Committee meetings to discuss the proposal.**

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### **Question 3**

Within SDG&E's RFSQ (RFSQ Number: 10088487-18-A) response, Section II.D.5 lists Despina Niehaus as part of the team involved, however she will soon transition into another role within SDG&E, and will no longer be involved with this solicitation. How should SDG&E proceed with notification for this material change?

### **Answer 3**

**The proposer should list all current, relevant staff in the proposal as part of this RFP.**

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**\* End of Questions and Answers \***

## **APPENDIX III**

## Attachment AA

As an employer with over 4,000 employees, SDG&E is occasionally the subject of claims of discrimination by its employees and contractors, as would be expected of any large employer. The following lists those discrimination lawsuits that have been filed or in pending litigation during 2015 through the present. Various agency claims have been filed or pending during this time period, but none have resulted in litigation.

Date of Claim	Location	Description of Claim	Litigation (Y/N)	Resolution/Remedial Action taken
7-1-2013	SD Superior	Lawsuit alleging disability discrimination	Y	SDG&E prevailed on Summary Judgment
3-9-16	SD Superior	Lawsuit alleging disability discrimination	Y	Confidential Resolution for Nuisance Value
6-17-16	SD Superior	Lawsuit alleging disability discrimination.	Y	Arbitration Scheduled in April 2018
9-28-17	SD Superior	Lawsuit alleging disability and age discrimination	Y	Pending

CO= L391878  
U= FF07997

EQUAL EMPLOYMENT OPPORTUNITY  
2016 EMPLOYER INFORMATION REPORT  
INDIVIDUAL ESTABLISHMENT REPORT - TYPE 4

SECTION B - COMPANY IDENTIFICATION

1. SEMPRA ENERGY HEADQUARTERS  
488 8TH AVE  
SAN DIEGO, CA 92101

2.a. CENTURY PARK  
8326 CENTURY PARK COURT  
SAN DIEGO, CA 92123

SAN DIEGO COUNTY  
c. Y

SECTION C - TEST FOR FILING REQUIREMENT

1-Y 2-Y 3-Y DUNS NO.:22715408 EIN :951184800

SECTION E - ESTABLISHMENT INFORMATION

NAICS: 221210 Natural Gas Distribution

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO												OVERALL TOTALS
			***** MALE *****						***** FEMALE *****						
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	
EXECUTIVE/SR OFFICIALS & MGRS	0	0	11	1	0	0	0	0	2	0	0	1	0	0	15
FIRST/MID OFFICIALS & MGRS	26	24	151	6	0	16	1	1	80	4	1	20	0	1	331
PROFESSIONALS	84	126	318	32	4	49	2	9	236	42	4	104	4	6	1020
TECHNICIANS	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
SALES WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE SUPPORT	28	69	23	4	2	7	0	1	73	37	2	24	0	6	276
CRAFT WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATIVES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LABORERS & HELPERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	139	219	503	43	6	72	3	11	391	83	7	149	4	13	1643
PREVIOUS REPORT TOTAL	146	220	498	42	5	74	5	8	384	86	7	150	4	10	1639

SECTION F - REMARKS

FUNCTIONAL AFFIRMATIVE ACTION PROGRAM AGREEMENT  
BETWEEN  
SEMPRA ENERGY  
AND  
THE OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS  
U.S. DEPARTMENT OF LABOR

This Agreement is entered into between Sempra Energy (Sempra) and the Office of Federal Contract Compliance Programs of the United States Department of Labor (OFCCP). Sempra is subject to Executive Order 11246, as amended, and its implementing regulations.

I. PURPOSE

Sempra and OFCCP desire a more effective and efficient means of ensuring equal employment opportunity and successful affirmative action programs. The parties agree that Sempra's affirmative action programs will be more meaningful and effective if they are organized in a manner that is consistent with the way Sempra is structured and operates its business. Therefore, in accordance with the regulations at 41 CFR 60-2.1, this Agreement will allow Sempra to develop and implement affirmative action programs that are based on functional or business units, referred to as functional AAPs (FAAPs). Sempra will develop, implement, and maintain an affirmative action program for each of the functional or business units that are identified and described in the Addendum to this Agreement.

II. TERMS OF AGREEMENT

A. LEGAL OBLIGATIONS

Nothing contained in this Agreement is intended to relieve Sempra of its obligations to comply with the terms of Executive Order 11246 and its implementing regulations, or limit OFCCP's duty to enforce the Executive Order. This Agreement affects only the organization and structure of the affirmative action programs that Sempra is required to develop and maintain pursuant to the Executive Order implementing regulations found in 41 CFR Part 60-2.

This Agreement does not relieve Sempra of its obligations to comply with the terms of Section 503 of the Rehabilitation Act of 1973, as amended (Section 503) and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (VEVRAA). Sempra is required to develop and maintain AAPs pursuant to the regulations implementing Section 503 and VEVRAA found in 41 CFR Parts 60-300 and 60-741.

b. EFFECTIVE DATE, TERMINATION, AND CERTIFICATION

This Agreement will become effective upon signature by the OFCCP Director, or designee, and will remain in effect for three (3) years after the date of such approval. Either party may terminate this Agreement upon a 90 day written notice. The notice will provide a brief explanation of the reason(s) for the termination and the effective date of the termination. If this

Agreement is terminated by OFCCP, Sempra may not reapply for a FAAP Agreement for a period of three (3) years. Upon termination of this Agreement, Sempra must ensure that all of its employees are covered by establishment-based AAPs within 120 days of notification from either OFCCP or Sempra that this Agreement has been terminated.

OFCCP may terminate this Agreement if Sempra or any of its establishments or functional or business units has been found in violation of the laws and regulations enforced by OFCCP, including violations such as employment discrimination, failure to: develop and maintain an AAP, maintain accurate records, permit OFCCP access, or make good faith efforts. OFCCP may also terminate this Agreement if Sempra fails to: account for all of its employees in either a functional or establishment-based AAP, or notify the OFCCP Director of significant changes to its organizational structure that alter the functional or business units described in the Addendum to this Agreement.

Every three years, Sempra must certify in writing to the OFCCP Director at least 120 days prior to the expiration date of this Agreement that they continue to operate under a functional structure. If there have been organizational changes resulting in the elimination or addition of functional units, Sempra is required to submit a written rationale explaining such changes. The OFCCP FAAP Branch will work closely with Sempra to process its certification.<sup>1</sup>

In the event that the certification is not granted prior to the expiration date of this Agreement, Sempra may continue to operate under this Agreement until its certification is either approved or denied. The certification will only be deemed accepted upon the written approval of the OFCCP Director.

During an open compliance evaluation of a Sempra functional or business unit, OFCCP will extend the term of this Agreement until the evaluation is completed.

If Sempra fails to certify this Agreement at least 120 days prior to the expiration date, this Agreement will expire at the end of the three-year term.

#### c. ANNUAL UPDATE AND MODIFICATIONS

Sempra agrees to provide OFCCP an annual update for each of the functional or business units identified in the Addendum to this Agreement at least 30 days prior to the effective date of its AAP year.<sup>2</sup> This update should include but is not limited to: functional unit(s) name changes, updated Federal contract information, employee counts, company or subsidiary names, and addresses included in each functional unit. Failure to provide an annual update to this Agreement may result in the scheduling of a compliance evaluation of one of Sempra's functional or business units.

During the term of this Agreement, either party may propose modifications to this Agreement. A party shall provide its approval or rejection of the proposed modification in writing within 60 days of receipt. If a proposed modification is rejected, the party shall state the

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<sup>1</sup> Per Directive 2013-01 Revision 1 (Section 7.E.4.) issued on April 28, 2016

<sup>2</sup> Sempra Energy (Sempra) AAP year is 2017 to 2017.



reasons for the rejection. Sempra must continue to operate in accordance with this Agreement until its proposed modification is accepted. Any modifications that are approved will not extend the three year term of this Agreement.

In the event of a change or amendment to the laws or regulations under which this Agreement is issued, the parties agree to abide by such changes immediately upon their effective date. If such changes materially alter the terms of this Agreement, the parties shall have 60 days from the effective date of the change to revise this Agreement accordingly. If the parties are unable to agree on revisions, this Agreement will be deemed terminated.

If, during the term of this Agreement, Sempra significantly changes its organizational structure altering the functions upon which this Agreement is based (e.g., a merger, acquisition, downsizing or reorganization) and resulting either in the elimination or addition of functional or business units or establishments, Sempra will notify the OFCCP Director in writing within 60 days of the effective date of the change(s). Sempra should also include sufficient information to determine whether the Agreement should be modified based upon the changed circumstances. The OFCCP Director will determine whether it is necessary to modify this Agreement. Failure to provide notification of significant changed circumstances in the organizational structure of Sempra can result in the termination of this Agreement.

#### d. SEVERABILITY OF PROVISIONS

Any provision of this Agreement found invalid will not affect the validity or enforceability of the remaining portions of the Agreement.

#### e. NOTICES

The addresses of the parties for purposes of notices required or permitted under this Agreement are as follows:

*For OFCCP:*

Javaid Kaiser, Ph.D.  
Director, Division of Program Operations  
Office of Federal Contract Compliance Programs  
U.S. Department of Labor  
200 Constitution Avenue, NW, Room N-3408  
Washington, DC 20210  
(202) 693-0106

*For SEMPRA ENERGY:*

G. Joyce Rowland  
Senior Vice President, Chief Human Resources & Administrative Officer  
Sempra Energy  
488 Eighth Ave., HQ15E  
San Diego, CA 93101  
(619) 696-4537



f. CONFIDENTIALITY AND FREEDOM OF INFORMATION ACT

OFCCP agrees that it will treat the information Sempra submits pursuant to this Agreement as sensitive and confidential to the maximum extent possible under the Freedom of Information Act (FOIA).

III. TERMS APPLICABLE TO SEMPRA ENERGY's AFFIRMATIVE ACTION PROGRAMS

A. DEVELOPMENT OF AAPs

Every employee covered by a functional or business unit will be included in one of the FAAPs identified and described in the Addendum to this Agreement.<sup>3</sup> Each FAAP will include the components that are prescribed in the regulations in 41 CFR 60-2.11 through 60-2.17. Sempra will update its FAAPs on an annual basis.

Sempra must also develop and maintain AAPs pursuant to the regulations implementing Section 503 and VEVRAA. Sempra agrees that they will comply with their Section 503 and VEVRAA written AAP obligations by creating and maintaining Section 503 and VEVRAA AAPs for the same functional or business units that are covered in Addendum to this agreement.

This Agreement does not constitute acceptance or approval of Sempra's individual AAPs by OFCCP, nor does it constitute approval of the methodology or format used by the contractor in developing or maintaining any specific AAP. Sempra's compliance with Executive Order 11246, Section 503, VEVRAA and the regulatory requirements for affirmative action programs will be determined through the compliance evaluation process.

B. COMPLIANCE EVALUATION PROCEDURES

This Agreement does not limit access, method of scheduling, or the manner or means by which OFCCP will conduct compliance evaluations. At least one of Sempra's functional units must undergo a compliance evaluation during the three-year term of this Agreement. Sempra's functional units will be selected for compliance evaluation in accordance with the policies and procedures established for contractors with functional AAPs. Sempra's corporate headquarters functional unit may be evaluated in accordance with the procedures for Corporate Management Compliance Evaluations. In addition to notifying the managing official, OFCCP agrees to send a copy of each functional or business unit compliance evaluation scheduling letter to the corporate contact person identified in the Addendum.

During a compliance evaluation of a functional or business unit, Sempra agrees to submit, at a minimum, its personnel activity, i.e., applicant flow, hire, promotion, termination, and compensation data in a readable and usable electronic format, when requested to do so by OFCCP. Sempra also agrees that any personnel and employment records that may be relevant to

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<sup>3</sup>Sempra Energy must implement its functional AAPs no later than 120 days from the effective date of this agreement. Sempra Energy will notify OFCCP when its functional AAPs have been implemented.

determining Semptra's compliance with the laws and regulations enforced by OFCCP will be made available at the location designated by OFCCP.

Therefore, the parties hereto have caused this Agreement to be executed by their respective representatives as set out below.

SEMPRA ENERGY

OFFICE OF FEDERAL CONTRACT  
COMPLIANCE PROGRAMS,  
UNITED STATES DEPARTMENT  
OF LABOR

By:   
G. JOYCE ROWLAND  
Senior Vice President, Chief Human  
Resources & Administrative Officer

By: \_\_\_\_\_  
THOMAS M. DOWD  
Deputy Director  
(Interim Acting Director)

Date: June 8, 2017

Date: \_\_\_\_\_

ADDENDUM  
to the  
SEMPRA ENERGY  
FUNCTIONAL AFFIRMATIVE ACTION PROGRAM AGREEMENT

This Addendum is incorporated by reference into the Functional Affirmative Action Program Agreement entered into between Sempra Energy and the Office of Federal Contract Compliance Programs of the United States Department of Labor (OFCCP).

Sempra Energy is an energy service holding company with separate business units and functions. Its United States based employees are divided into the functional areas described below. Sempra Energy's EEO-1 number is 7216624.

Sempra Energy will develop and implement affirmative action for each of the functional or business units identified below:<sup>4</sup> The corporate contact for all functional units is:

G. Joyce Rowland  
Senior Vice President, Chief Human Resources  
& Administrative Officer  
Sempra Energy  
488 Eighth Ave., HQ15E  
San Diego, CA 93101  
(619) 696-4537

**CA Public Utility Commission (CPUC) Regulated Business Units**

**1. SDG&E Headquarter Functions (FAAP 01)**

**262 Employees**

The SDG&E Headquarter Functions consist of business process improvement and enterprise risk management, financial, external and legislative affairs, general counsel, strategic planning and business optimization, human resources, and diversity and inclusion.

Managing Official:

Randall L. Clark  
Chief Human Resources & Chief Administrative Officer  
San Diego Gas & Electric  
8330 Century Park Court, CP33B  
San Diego, CA 92123  
(858) 650-4192

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<sup>4</sup> The employee locations by city and state for each functional unit are identified in Attachment 1: Sempra Energy Employee City and State Locations.

## **2. SDG&E Customer Services (FAAP 02)**

**961 Employees**

The SDG&E Customer Services function is responsible for smart pricing, customer communications, business planning and budgets for customer services, residential services, advanced metering operations, customer operations, customer programs and projects, and commercial and industrial services.

Managing Official:

Scott Crider  
Vice President, Customer Services  
San Diego Gas & Electric  
8330 Century Park Court, CP33B  
San Diego, CA 92123  
(858) 654-1270

## **3. Information Technology - SDG&E/SoCalGas (FAAP 03)**

**606 Employees**

The Information Technology - SDG&E/SoCalGas function oversees information technology and client services, strategic analysis planning pricing, computing infrastructure, business planning and budgets for information technology, operation excellence and construction planning and design programs, application services, information technology portfolio management office and information security and information management.

Managing Official:

J. Chris Baker  
Chief Information Officer SDG&E/SoCalGas  
San Diego Gas & Electric  
8330 Century Park Court, CP33B  
San Diego, CA 91123  
(858) 650-4096

## **4. SDG&E Electric Transmission and Systems Engineering (FAAP 04)**

**547 Employees**

The SDG&E Electric Transmission Operations and System Engineering function oversees operations management, performance and budgets for electric transmission operations and construction, engineering, and transmission grid operations. The transmission systems move electricity from generation sources to substations at extremely high voltages.



Managing Official:

John D. Jenkins  
Vice President, Electric Engineering & Construction  
San Diego Gas & Electric  
8330 Century Park Court, CP33A  
San Diego, CA 92123  
(858) 650-8627

**5. SDG&E Energy Supply (FAAP 05)**

**114 Employees**

The SDG&E Energy Supply function is responsible for electricity supply and fuel procurement as well as SDG&E's remaining electric generation operations.

Managing Official:

Emily C. Shults  
Vice President, Energy Procurement  
San Diego Gas & Electric  
8330 Century Park Court, CP33F  
San Diego, CA 92123  
(858) 654-8634

**6. SDG&E Gas Operations (FAAP 06)**

**389 Employees**

The SDG&E Gas Operations function is responsible for gas side dispatch functions, public awareness, safety, field operations, technical services, and field training for gas employees in the San Diego region.

Managing Official:

Alan Marcher  
Director, Gas Operations San Diego  
San Diego Gas & Electric  
6875 Consolidated Way  
San Diego, CA 92121  
(858) 653-3102

**7. SDG&E Electric Distribution Operations  
(FAAP 07)**

**957 Employees**

The SDG&E Electric Distribution Operations function oversees finance and operations management, performance and budgets for electric distribution operations, projects, construction services, electric distribution engineering, and electric distribution grid operations. The distribution system delivers electricity to customers from substations.

Managing Official:

Katherine M. Speirs  
Vice President, Electric Distribution Operations  
San Diego Gas & Electric  
8330 Century Park Court, CP33A  
San Diego, CA 92123  
(858) 654-8619

**8. SoCalGas Headquarter Function  
(FAAP 08)**

**249 Employees**

The SoCalGas Headquarter Functions function consists of special projects, external affairs, policy and environmental solutions, employee communication, general counsel, accounting and finance, and human resources, diversity and inclusion.

Managing Official:

Hal Snyder  
Chief Human Resources & Chief Administrative Officer  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT21C3  
Los Angeles, CA 90013  
(213) 244-5700

**9. California Utility Financial Operations  
(FAAP 09)**

**267 Employees**

The California Utility Financial Operations group is responsible for financial controls and accounting systems, financial planning, and general financial operations for both SDG&E and SoCalGas.

Managing Official:

Bruce Folkmann  
Vice President – Controller and Chief Financial Officer  
San Diego Gas and Electric and So Cal Gas  
8330 Century Park Court, CP33A  
San Diego, CA 92123  
(858) 696-4661

**10. SoCalGas Gas Ops Work Planning  
& Resource Mgmt (FAAP 10)**

**600 Employees**

The Work Planning and Resource Management organization is responsible for activities associated with system analysis, design, planning, mapping and reconciliation of the distribution pipeline infrastructure. Additionally, this organization is responsible for resource management.

Managing Official:

Mario A. Aguirre  
Director, Work Planning & Resource Management  
Southern California Gas Company  
1919 S. State College Blvd.  
Anaheim, CA 92806  
(213) 244-8119

**11. SoCalGas Gas Distribution Operations –  
Northwest (FAAP 11)**

**640 Employees**

The SoCalGas Distribution Operations – Northwest function manages the construction operations and maintenance, and overall integrity of the gas distribution system in the southeast service territory of SoCalGas.

Managing Official:

Gilbert Soto  
Director, Northwest Region Gas Operations  
Southern California Gas Company  
701 N. Bullis Road, SC 90221  
Compton, CA 90221  
(310) 605-7852

**12. SoCalGas Gas Distribution Operations (FAAP 12)  
Southeast (FAAP 12)**

**590 Employees**

The SoCalGas Distribution Operations – Southeast function manages the construction operations and maintenance, and overall integrity of the gas distribution system in the southeast service territory of SoCalGas.

Managing Official:

Jorge D. Aspa  
Director - Southeast Region Gas Operations  
Southern California Gas Company  
1981 W. Lugonia Avenue, SC8000  
Redlands, CA 92341  
(909) 335-7575

**13. SoCalGas Transmission and Storage (FAAP 13)**

**591 Employees**

The SoCalGas Transmission and Storage function provides technical and operational expertise for underground storage and related petroleum engineering opportunities as well as operation of the gas transmission systems.

Managing Official:

Rodger R. Schwecke  
Senior Vice President Transmission & Storage  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT21C3  
Los Angeles, CA 90013  
(213) 244-2140

**14. SoCalGas Customer Contact Centers (FAAP 15)**

**556 Employees**

The SoCalGas Customer Contact Centers function is responsible for serving residential customers serviced requests, collection extensions, bill inquiries, appliance adjustments and service trouble shooting throughout the company's service territory.

Managing Official:

Neena N. Master  
Director, Customer Contact Centers  
Southern California Gas Company  
1050 Overland Ct.  
San Dimas, CA 91773  
(909) 305-8200

**15. SoCal Gas Customer Operations  
(FAAP 16)**

**162 Employees**

The SoCalGas Customer Operations function is responsible for providing Southern California Gas Company's large commercial/industrial customers with valued billing services and customer care.

Managing Official:

Janet M. Yee  
Director, Customer Operations  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT18A1  
Los Angeles, CA 90013  
(213) 244-3600

**16. SoCalGas Customer Services (FAAP 17)**

**291 Employees**

The Customer Staff function is responsible for all Customer Services Field (CSF) policies and procedures, training and development, quality assurance, technology and other staff functions that support Region field operations as well as remittance processing.



Managing Official:

Gillian Wright  
Vice President, Customer Services  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT18A1  
Los Angeles, CA 90013  
(213) 244-3833

**17. SoCalGas Advanced Meter (FAAP 18)**

**464 Employees**

The SoCalGas Advanced Meter function is response for upgrading our metering system by adding wireless communication device to residential and business natural gas meters. In addition, this function is responsible for gas meter reads for residential, commercial, and industrial customers through the SoCalGas service territory.

Managing Official:

Jeffery L. Walker  
Director, SoCalGas Advanced Meter  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT28A1  
Los Angeles, CA 90013  
(213) 244-2936

**18. SoCalGas Customer Service Field Operations  
Northwest Region (FAAP 19)**

**917 Employees**

The SoCalGas Customer Service Field Operations – Northwest Region function performs field operations to ensure compliance with Company policies and procedures and maintenance of system integrity for core residential, commercial and industrial customers in the Southeast region of the SoCal Gas service territory.

Managing Official:

David McCarthy  
Director, Customer Services Northeast Region  
Southern California Gas Company  
9400 Oakdale Avenue, SC9300  
Chatsworth, CA 91311  
(818) 701-3310

**19. SoCalGas Customer Service Field Operations  
Southeast Region (FAAP 20)**

**665 Employees**

The SoCalGas Customer Service – Southeast Region function provides technical expertise for field operations to ensure compliance with Company policies and procedures and maintenance of system integrity for core residential, commercial and industrial.

Managing Official:

Norm W. Schickling  
Director, Customer Services Southeast Region  
Southern California Gas Company  
1919 S. State College Blvd., SC8300  
Anaheim, CA 92806  
(714) 634-3205

**20. SoCalGas Customer Solutions  
& Communications (FAAP 21)**

**411 Employees**

The SoCalGas Customer Solutions and Communications function is responsible for customer communications, research and electronic services, technology solutions, integrated customer strategy, commercial and industrial, and SoCalGas customer programs and assistance.

Managing Official:

Lisa M. Larroque Alexander  
Vice President Customer Solutions & Communications  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT20B7  
Los Angeles, CA 90013  
(213) 244-2957

**21. SDG&E/SoCalGas Customer Solutions and  
Communications (FAAP 22)**

**420 Employees**

The SDG&E/SoCalGas Operations Support function is responsible for environment strategy and sustainability, support services, clean transportation programs, environmental services, facilities, and corporate real estate and planning.

Managing Official:

Michael Schneider  
Vice President, Operations Support & Chief Environmental Officer  
SDG&E & SCG  
San Diego Gas & Electric  
8300 Century Park Court, CP33A  
San Diego, CA 92123  
(858) 650-6108

**22. SoCalGas Gas Operations and System Integrity  
(FAAP 23)**

**449 Employees**

The SoCalGas Gas Operations and System Integrity Staff function is responsible for gas business and technical support, pipeline integrity, the pipeline safety enhancement plan, project controls, emergency services and energy markets and capacity products.

Managing Official:

Jimmie I. Cho  
Senior Vice President, Gas Operations & System Integrity  
SoCalGas  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT21C3  
Los Angeles, CA 90013  
(213) 244-3701

**23. SoCalGas Engineering and Major Projects  
(FAAP 24)**

**414 Employees**

The SoCalGas Major Projects function is responsible for gas system design and engineering, technical services, and pipeline construction management.

Managing Official:

David Buczkowski  
Vice President Gas Engineering  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT23P1  
Los Angeles, CA 90013  
(213) 244-3630

**24. SDG&E/SoCalGas Supply Management  
& Logistics (FAAP 25)**

**231 Employees**

The Supply Management and Logistics function is responsible for supply management logistics and supplier diversity at both California utilities (SDG&E and SoCalGas).

Managing Official:

Denita Willoughby  
Vice President Supply Management  
Southern California Gas Company  
555 West 5<sup>th</sup> Street, GT10A8  
Los Angeles, CA 90013  
(213) 244-3804

**Other Sempra Energy United States Based Business Units**

**25. Sempra Renewables (FAAP 26)**

**190 Employees**

Sempra Renewables is a division of Sempra Energy subsidiary Sempra Infrastructure, LLC. The Renewables division develops clean power solutions in markets throughout the U.S. with a focus on zero and low-emission fuels. It also operates power plants, natural gas storage facilities, and gas distribution facilities.

Managing Official:

Kevin C. Sagara  
President, Renewables  
Sempra Infrastructure, LLC  
488 Eighth Ave., HQ11N2  
San Diego, CA 92101  
(619) 696-4345

**26. Sempra Energy Corporate Center (FAAP 28)**

**418 Employees**

Sempra Energy Corporate Center consists of legal, external affairs, finance, human resources, and project controls and analysis.

Managing Official:

G. Joyce Rowland  
Senior Vice President, Chief Human Resources  
& Administrative Officer  
Sempra Energy  
488 Eighth Ave., HQ15E  
San Diego, CA 92101  
(619) 696-4537

**27. Sempra LNG & Midstream (FAAP 29)**

**281 U.S. Employees**

Sempra LNG & Midstream is a division of Sempra Energy subsidiary Sempra Infrastructure, LLC and includes all employees of the subsidiary entity Sempra LNG & Midstream, LLC, as well as some related support services employees who are employed by Sempra Infrastructure, LLC. The division develops, builds and operates energy infrastructure assets including liquid natural gas pipelines, storage, and receipt terminals in Mexico and the U.S.

Managing Official:

Octavio Simoes  
President, Sempra LNG & Midstream  
Sempra LNG & Midstream  
488 Eighth Ave., HQ 14N1  
San Diego, CA 92101  
(619) 696-2287

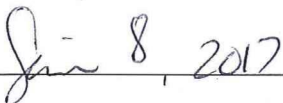
The parties hereto have caused this Addendum to the Sempra Energy Functional Affirmative Action Program Agreement to be executed by their respective representatives as set out below.

SEMPRA ENERGY

OFFICE OF FEDERAL CONTRACT  
COMPLIANCE PROGRAMS,  
UNITED STATES DEPARTMENT  
OF LABOR

By:   
G. JOYCE ROWLAND  
Senior Vice President, Chief Human  
Resources & Administrative Officer

By: \_\_\_\_\_  
THOMAS M. DOWD  
Deputy Director  
(Acting Deputy Director)

Date:  8, 2017

Date: \_\_\_\_\_



The background of the page is decorated with a collage of overlapping geometric shapes in various shades of green, blue, and teal. Three rectangular images are integrated into this design: a wind turbine in a field at sunset, solar panels in a field of yellow flowers, and a hand plugging a charging cable into an electric vehicle.

# *The Power of Supplier Diversity*

Helping to grow your business

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Diverse Business Enterprises  
2016 Annual Report  
2017 Annual Plan  
March 1, 2017



A  Semptra Energy utility®

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# 2016 SDG&E DBE annual report

## Letter from SDG&E President Scott Drury

At San Diego Gas & Electric® (SDG&E®), we have a long history of fostering a diverse workplace and partnering with diverse suppliers. Through collaboration and a pursuit of excellence, we have been able to innovate, advance new technologies and build a better business on behalf of our customers.

At SDG&E, we are committed to creating a culture that promotes different perspectives, backgrounds and experiences in an inclusive and respectful manner. We believe this culture not only produces better business decisions, it represents our customers, suppliers, and the communities we serve.

In 2016, SDG&E achieved the highest level of spend with diverse businesses in the history of our company. SDG&E purchased more than 43 percent, or nearly \$619 million, of goods and services from diverse suppliers. This is the fourth consecutive year that SDG&E's supplier diversity spend has been above 40 percent.

Our achievements in supplier diversity can largely be attributed to three things: our employees, our prime business partners, and our training programs.

### Employee driven program

SDG&E has more than 120 employees who serve as diversity champions and ambassadors who, outside of their normal scope of work, help to incorporate diverse suppliers into our procurement supply chain.

### Prime business partners

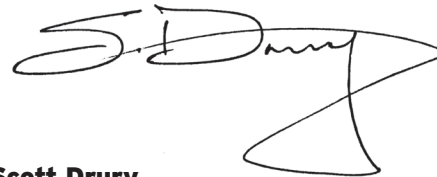
Our prime business partners and contractors are fully aligned with helping SDG&E expand the supplier base. This alignment has created opportunities for diverse suppliers to enter the energy industry through subcontracting. In 2016, we had more than 13.8 percent, or nearly \$200 million, of our spend with diverse suppliers who subcontracted with our prime business partners.

### Training programs

The collective experiences and feedback from our suppliers allow SDG&E to lead in the area of technical assistance. Many of our diverse suppliers are small businesses looking for opportunities to work with the company and expand their organizations. Every year, we evaluate our technical assistance programs to adapt to changes within the energy industry and support the needs of our suppliers.

As an industry leader, local employer and service provider to more than 3.1 million customers, we have both an opportunity and obligation to promote diversity in our workplace and supply chain. I am proud of what our employees have accomplished and I am confident that our success today will continue well into the future.

Sincerely,



**Scott Drury**  
SDG&E President





## ***Executive summary***

**S**an Diego Gas & Electric (SDG&E) maintained strong supplier diversity spending results in 2016 with **43 percent**, or over **\$619 million**, of all spending going to diverse business enterprises (DBE), once again exceeding the California Public Utilities Commission's (CPUC) General Order 156 goal of 21.5 percent.

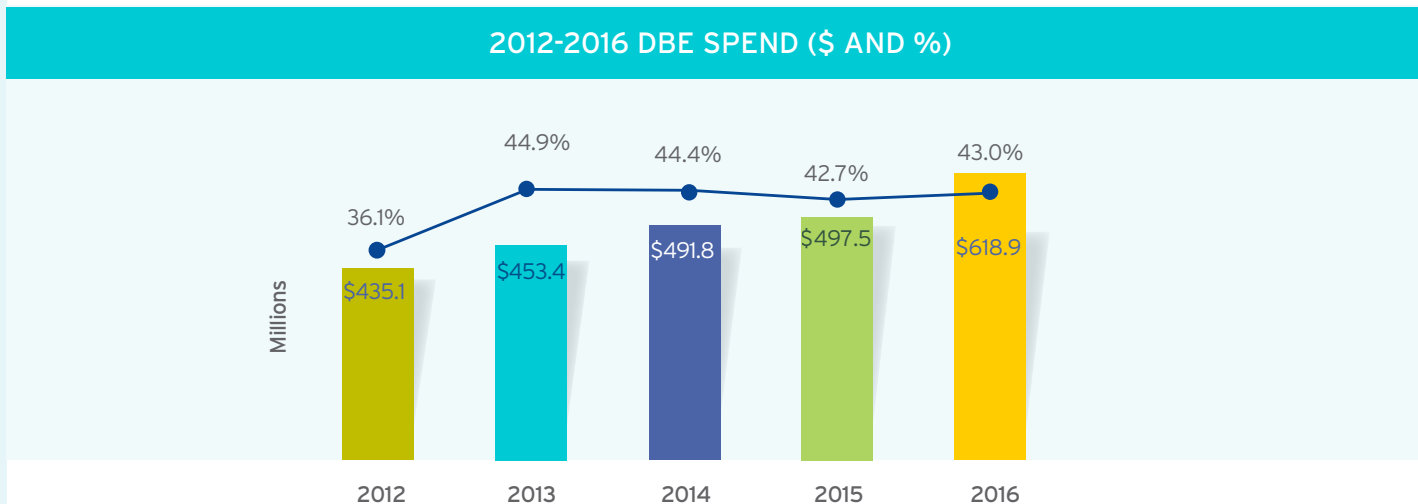
Our 2016 results were driven by high DBE spend in core business areas, such as Electric Distribution Operations, Operations Support and Electric Transmission and System Engineering. It is important that we foster these relationships with DBE suppliers because the spend in these core areas is significant, as these areas contributed over 48 percent, or \$397.2 million, in 2016.



Strong DBE participation in two major projects in 2016 provided significant levels of diverse business spend. The Fire Risk Mitigation Project (FiRM) improves reliability and integrity of the electric system in fire-prone areas. FiRM posted \$56.9 million in DBE spend or 77.7 percent. SDG&E's San Luis Rey Synchronous Condenser Project adds two large synchronous condensers at San Luis Rey Substation to increase reliability and improve stability of the transmission grid. This infrastructure project posted exceptional results of 62.5 percent, or \$31 million in DBE spend.

The ongoing Pipeline Safety Enhancement Plan (PSEP) program, which pressure tests pipeline sections and upgrades, and replaces or retrofits pipe and valves as needed, continues to advance opportunities for diverse suppliers and achieved 39.7 percent, or \$43 million in DBE spend in 2016.

### 9.1.1 DESCRIPTION OF WMDVLGBTBE PROGRAM



### Key spending and accomplishments contributing to 2016 supplier diversity success

**Direct spend** - increased more than \$76 million, from \$343.6 million to \$420.1 million, representing 29.1 percent in DBE spend.

**\$420.1**  
Million

**Subcontracting** - totaled more than \$199.7 million for both core business and capital projects, representing nearly 13.9 percent in DBE spend.

**\$199.7**  
Million

### Category highlights

#### Minority Business Enterprise (MBE)

Spending was \$386.6 million or 26.8 percent.

**\$386.6**  
Million

#### Women Business Enterprise (WBE)

Spending was \$193.4 million or 13.4 percent.

**\$193.4**  
Million

#### Minority Women Business Enterprise (MWBE)

Spending was \$94.2 million or 6.5 percent.

**\$94.2**  
Million

#### Service-Disabled Veteran Business Enterprise (DVBE)

Spending was \$38.7 million or 2.7 percent.

**\$38.7**  
Million

## INTERNAL ACTIVITIES

### Executive support

Supplier diversity is a priority at SDG&E. Our executives, directors and managers are fully committed to supplier diversity and are diligent in their efforts to achieve the company's DBE goals. Executives support and routinely participate in diversity events such as the Diversity & Inclusion Summit and Awards ceremony, where we recognize employees who help SDG&E achieve our supplier diversity goals.

### SDG&E internal DBE Champions and Ambassadors team

Since its formation in 2013, our DBE Champions and Ambassadors team has grown to over 120 members, representing a broad range of SDG&E departments. Our ambassadors help identify opportunities to include diverse suppliers and regularly participate in matchmaking and outreach events.

## INTERNAL EVENTS

SDG&E held recognition events throughout the year, which brought employees together to raise awareness and celebrate the achievements of our supplier diversity program. 2016 events included:

- Diversity & Inclusion Summit and Awards;
- Optimizing DBE Spend Workshop;
- SDG&E Supplier Feedback Roundtable; and
- SCORE a Million Recognition Event.

Leadership Conversation: **Denita Willoughby**  
SDG&E Vice President, Supply Management & Logistics

***"Our suppliers must create value by helping us reduce costs, drive innovation, reduce risk, and improve safety."***

**Q:** What attributes are required from our diverse suppliers to ensure a sustainable business model?

- A:**
- Pursuing excellence by delivering high quality products and services is essential.
  - Fostering collaboration is key to identifying best practices and finding solutions that help each party enhance their business.
  - Continued commitment to investing in new technologies will help keep pace with a changing utility industry.



## SUPPLIER DEVELOPMENT AND TECHNICAL ASSISTANCE

SDG&E takes a lot of pride in the development and technical assistance we give diverse suppliers to help them improve their overall competitiveness and take their businesses to the next level so they can surmount challenges and succeed in the complex utility industry. SDG&E spent \$301 thousand for technical assistance and capacity building in 2016.

### Mastering Business Growth (MBG)

In 2016, SDG&E and Infinity Business Solutions, a diverse supplier, offered 24 small business MBG participants a unique training opportunity to build new strategies and apply new metrics for growing their businesses. MBG provides small businesses with a toolkit of real-time applications and resources that address business challenges and/or opportunities.

SDG&E solicited local community based organizations (Elite SDVOB Network, DVBE Alliance, Council for Supplier Diversity, Asian Business Association, Central San Diego Black Chamber of Commerce, Women's Business Enterprise Council - West, National Association of Women Business Owners, Hispanic Chamber of Commerce, and American Indian Chamber of Commerce of California, among others) to identify qualified business owners who could benefit from our MBG classes.

The program culminated with SDG&E conducting a matchmaking event between participants, SDG&E procurement agents and business stakeholders. Classes covered a full range of business topics from business planning and writing proposals to finance and marketing.

### Financial Capability Series (FCS)

FCS is a technical assistance series designed for existing and potential suppliers who want to strengthen their financial capacity and improve supplier's capital accessibility. Suppliers receive a self-generated guided action plan/financial roadmap to 1) identify capital needs; 2) strengthen banking relationships; and 3) understand the different types of financial products/services. In 2016, we provided this training to 20 businesses.

### Supplier Quick Pay Program (SQPP)

SQPP pays small businesses within 15 days, rather than the standard 45 days, which boosts their access to working capital. When these small businesses get paid faster they are able to manage their finances more effectively. In 2016, there were over 40 suppliers enrolled in SQPP.



Wearable Imaging, **Robin Richter, CEO**  
wearableimaging.com

***"I love working with the SDG&E family and I have established a much deeper connection this past year. This partnership has given us the opportunity to shine and share our capabilities. SDG&E is a trusted partner that I admire, and I look forward to strengthening the relationship!"***

**Q: You recently participated in the SDG&E technical assistance program; can you share with us some tangible results that your business has achieved?**

**A:** We have had considerable growth and so appreciate the relationships formed since the program. I have gained confidence and knowledge through this program for which I am truly grateful. As a result, our company achieved growth of 40% in the last quarter of 2016. Thank you, SDG&E.



SDG&E DBE Ambassador, **Brad Mantz**

***"The key is to always be vigilant looking for opportunities to educate, internally and externally."***

**Q: You have been an SDG&E DBE Ambassador for the past 3 years, and served multiple departments such as power procurement and currently, customer service. How do you inspire new ambassadors as well as fellow colleagues about the importance of supplier diversity?**

**A:** I like to share with other Ambassadors and SDG&E employees the importance of diversity and inclusion; not only in our workforce, but in our mix of suppliers as well. I have experienced value working directly with diverse businesses. A few simple tips that employees can adopt include: 1) share both success stories and stories on overcoming challenges, 2) provide constructive feedback, and 3) be proactive and meet frequently with your team to discuss upcoming opportunities.

## 2017 Calendar of events

January	SDG&E Diversity & Inclusion Summit
	Business Match-Making for Veterans
	DistribuTECH
February	SDG&E's Inaugural Combined CAP (Champions/Ambassadors/Primes) Event
	National Association of Regulatory Utility Commissioners (NARUC)
	Asian Business Association of San Diego, Annual Lunar New Year Celebration
March	SDG&E 2016 DBE Annual Report/2017 Annual Plan
	Women's Business Enterprise Council - West Executive Platinum Supplier Program
	Greater Los Angeles African American Chamber of Commerce Annual Economic Awards Dinner
	Women's Business Enterprise National Council Summit & Salute Conference
April	SDG&E Supplier Diversity Appreciation Event for Employees and Suppliers
	Joint Utility Western Systems Power Pool Event
	Disabled Veteran Alliance, Keeping the Promise
	Greenlining Economic Summit
May	Small Business Association/Small Business Development Center Awards Luncheon
	SDG&E Contract Delegate Training
	CPUC Small Business Expo
	Edison Electric Institute (EEI) Business Diversity Conference



## 2017 Calendar of events

<b>June</b>	Women's Business Enterprise National Council National Conference
<b>July</b>	SDG&E/SoCalGas Networking with Minority Certified Public Account Firms
	Native American Indian Chamber of Commerce Expo
<b>August</b>	The Elite Service-Disabled Veteran-Owned Business Network (SDVOB)
	CPUC Small Business Expo - Fresno
	California Black Chamber of Commerce Economic Summit
	National Gay & Lesbian Chamber of Commerce International Business & Leadership Conference
<b>September</b>	California Hispanic Chamber of Commerce Advisory Meeting
	The Elite Service-Disabled Veteran Business Enterprise Networking Event
	Disabled Veteran Business Alliance: Turning Contacts into Contracts
	Women's Business Enterprise Council-West Strategic Procurement Conference
	CPUC Annual GO 156 Supplier Diversity En Banc
<b>October</b>	Annual Asian Business Association of San Diego Awards and Scholarship Gala
	National Minority Supplier Development Council National Conference & Business Fair
<b>November</b>	SDG&E Supplier Feedback Roundtable
	Central San Diego Black Chamber of Commerce Dinner and Awards Gala
	Native American Heritage Luncheon and Awards
<b>December</b>	SDG&E SCORE (Small Contractor Opportunity Realization Effort) a Million Recognition Event





## Supplier & Employee awards and recognition

SDG&E hosted SCORE a Million, an Awards & Recognition Event in December 2016 to celebrate the achievements of our suppliers, business partners, and company champions who helped us exceed our supplier diversity goals in 2016.

### Awards

*Humanitarian Award*

*SDG&E Ambassador Award*

*SDG&E Champion Award*

*Mentor Award*

*Pioneer Award*

*SCORE Award*

*Trailblazer Award*

*Best In Class Award*

*Partner of the Year Award*

### Winners

**Osceola Consulting**

**Brad Mantz, Zachary Randal, Ann Ellis**

**Brian Telesmanic**

**Henkels & McCoy**

**Pride Resources Partners, LLC**

**NWB Environmental**

**ICON Building Supplies Inc.**

**AM Ortega**

**Capgemini**



## ***SDG&E Employees & Suppliers** giving back to the community*



"The Center for Community Solutions (CCS) provides shelter to women, children and families who are survivors of domestic violence and sexual assault. Your partnership is vital to the lives of the families we serve. Thank you for lifting their spirits and helping them rebuild their lives."

**Edith A. Glassey, MA, CFRE** Chief Development Officer



"I am new to the company and learning more of how the DBE Program supports and values diverse suppliers. I am overwhelmed with a sense of pride and fulfillment that I haven't felt since serving my country. I think the event and DBE team as a whole, goes above and beyond any other DBE program I have seen thus far in my career."

**Tyler Brown, SDG&E Sr. Contracting Agent**



"Hats off to SDG&E for recognizing the value of diversity and investment in our communities at their inaugural Score a Million event. It's an honor to be recognized with the terrific diversity leaders supporting supplier diversity and inclusion."

**Natasha Dowling, Capgemini Client Partner for SDG&E**



### **Cleveland National Forest**

The Cleveland National Forest Project (CNF) will improve the reliability and integrity of SDG&E's electric system within and near the CNF. This project will replace several electric facilities and approximately 2,100 existing wood poles with fire-resistant weatherized steel poles. The project is estimated to cost upwards of \$500 Million and is a cornerstone of SDG&E's community fire safety efforts to protect the forest.



CRUX Subsurface Inc., **Steve Adams, President**  
cruxsub.com

**Q:** CRUX Subsurface Inc. has recently been awarded the CNF project. How do you plan to strategically work with the supplier diversity team to identify new diverse suppliers for subcontracting opportunities?

**A:** CRUX Subsurface plans to host and participate at DBE matchmaking events and work with local supplier diversity outreach groups in order to continue to grow our DBE database. Through continued teamwork between SDG&E & CRUX Subsurface, we will continue to broaden our resources and expand our diversity achievements.



## **2016** awards & nominations

National Elite Disabled Veteran Business Enterprise Network

*Leadership Award*

Asian Business Association, San Diego

*CEO's Choice Award*

Women's Business Enterprise Council - West, California Forum

*Corporate Appreciation Award*

Council for Supplier Diversity, San Diego

*Corporation of the Year Award*

Council for Supplier Diversity, San Diego

*Community Outreach Award*

American Indian Chamber of Commerce of California

*Thunderbird Award*

National Association of Women Business Owners, San Diego

*Special Recognition of the Loyal and Dedicated Support of NAWBO to Propel Women Entrepreneurs*

Women's Business Enterprise Council - West, California Forum

*Corporate Influence and Impact*

California Hispanic Chamber of Commerce

*Appreciation Award*

Central San Diego Black Chamber of Commerce

*Corporation of the Year*

## **Leadership** Conversation:

**Denita Willoughby**

*"Diversity of people brings diversity of thought"*

"SDG&E is proud of helping many companies and community organizations reach their full potential. SDG&E has been a supporter of the Central San Diego Black Chamber of Commerce (CSDBCC) from the start. We have given our time, financial support, and resources, to help this community organization achieve its goals. When small businesses succeed, we all succeed."

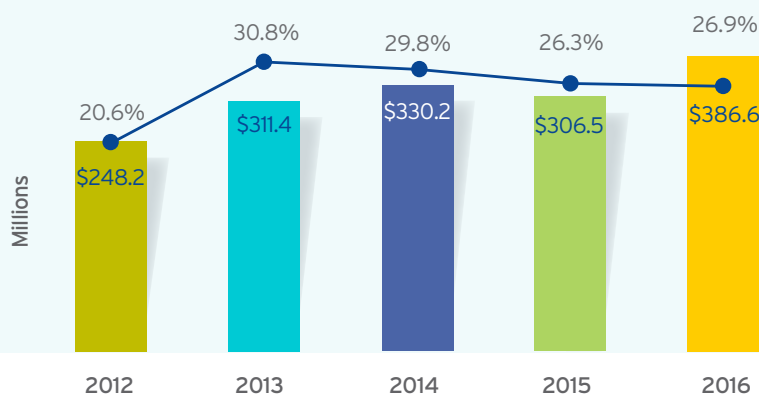


SDG&E's Vice President, Supply Management & Logistics, Denita Willoughby accepts CSDBCC's Corporation of the Year Award on behalf of SDG&E.

### Minority Business Enterprise (MBE) procurement

MBEs remain the largest segment of DBE spending for SDG&E. In 2016, MBE spending exceeded \$386.6 million, or nearly 26.9 percent of overall DBE results. This represents an increase of 0.52 percent over 2015's MBE results of 26.3 percent. Of special note is the increase in spend with Hispanic American female-owned businesses, which is detailed in the Minority Women Business Enterprise (MWBE) Procurement on page 14. Our spend with Asian Pacific American-owned businesses also increased by over \$19.1 million dollars from 2015, representing an increase of 0.36 percent. This increase is in the areas of engineering services, design and construction, IT hardware and software and metal services.

MBE-SDG&E 2012 TO 2016 (\$ AND %)



Engineering Partners Incorporated, **Bobby Eugenio, Principal**  
engineeringpartners.com

*"We strive to provide excellent quality through a commitment to client satisfaction."*

**Q: What past experiences have helped you get to where you are now and how do you utilize those experiences to help your business and others?**

**A:** It helps that we have developed a strong resume of qualified designers with experience in the private and government sectors. Through our persistence and patience we were able to build trust and to build long-term contracts with SDG&E to allow our organizations to be successful.



SDG&E DBE Ambassador, **John Dollman**

*"Open communication and timely follow-up are essential in getting the job done safely, on time, and on budget."*

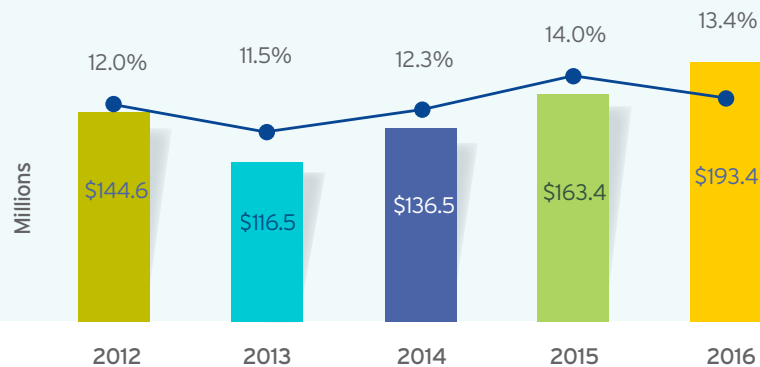
**Q: You bring a vast level of experience working in supply management, gas services and more recently, as a project manager for the construction services department at SDG&E. What lessons have you learned that you can apply to your current role to further support the supplier diversity program?**

**A:** In my experience, working closely with internal clients to identify opportunities for diverse businesses is just the start. As Ambassadors, we have a directive to help and mentor all suppliers - primes, diverse, and small - as part of our inclusive approach. I help by meeting with the diverse suppliers regularly, answering questions, and facilitating introductions to SDG&E's internal clients.

## Women Business Enterprise (WBE) procurement

In 2016, spending with WBEs increased to \$193.4 million, or 13.4 percent, of DBE spend. This is the sixth consecutive year our spending with WBEs has exceeded \$100 million, and the 11th consecutive year we have exceeded the CPUC goal of 5 percent.

WBE-SDG&E 2012 TO 2016 (\$ AND %)



Grahovac Construction Company, **Gina Grahovac Franklin, President**  
grahovacconstruction.com

*"Carefully selecting the right clients and developing strong partnerships like SDG&E has helped us continuously grow."*

**Q: How did you leverage the supplier diversity program?**

**A:** It's been a long and exciting journey cultivating a relationship with SDG&E. The supplier diversity program provided access to various conferences; scholarships to participate in technical assistance programs; and introductions to internal clients. As a result of the program, the most significant benefit was to be awarded a direct contract for SDG&E.



SDG&E DBE Ambassador, **Zachary Randal**

*"The Supplier Diversity program has helped identify new diverse suppliers for our general construction services department. These suppliers bring different perspectives and innovative solutions which have ultimately helped us improve our processes."*

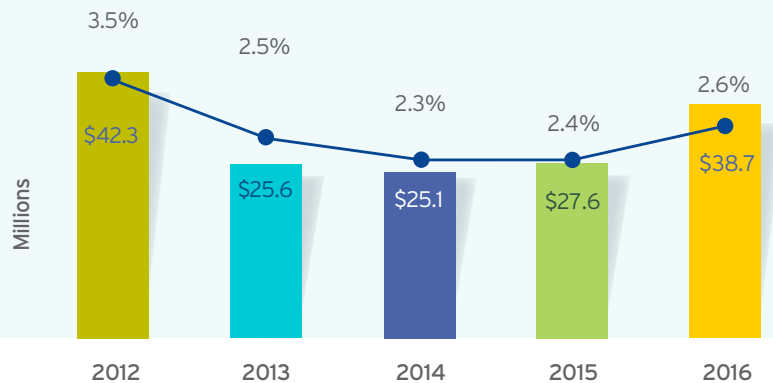
**Q: How did the SDG&E supplier diversity Champion and Ambassador program change your perspective?**

**A:** The program provided a venue for meeting several very quality DBE contractors that I would not have had exposure to otherwise. Further, the program goes beyond the outreach effort and actually facilitates a quality "meet and greet" in order to best utilize time.

## Service-Disabled Veteran Business Enterprise (DVBE) procurement

SDG&E nearly doubled the CPUC DVBE spending goal of 1.5 percent, with over 2.6 percent, or \$38.7 million, in 2016 DVBE spend. 2016 marks the eighth consecutive year in which SDG&E has exceeded the 1.5 percent goal. SDG&E continues to focus efforts on incorporating DVBEs in our core business spend as well as emerging projects. DVBE spend increased primarily due to increased participation in SDG&E's capital projects. Project-related spend in the areas of surveying, warehousing and storage, and HVAC supplies contributed to an increase of \$11.2 million over 2015's capital project spend.

DVBE-SDG&E 2012 TO 2016 (\$ AND %)



GIS Surveyors, Inc. **Paul Loska, President**  
gissurveyors.com

*"It has been an honor to partner with SDG&E over the past few years. This partnership has allowed GIS Surveyors to realign our company's top priorities to mirror SDG&E's upcoming needs."*

**Q: As one of our growing diverse suppliers, what benefits and value have you experienced from participating in the various SDG&E supplier diversity programs?**

**A:** Supplier diversity events can lead to relationships that have a profound effect on a small company's ability to succeed and grow. In my own experience, several doors were opened that allowed me an opportunity to share my capabilities. GIS Surveyors has been fortunate to attend technical assistance programs and events which have resulted in the ability to network and build new relationships.



SDG&E Supplier Diversity Ambassador, **Tyler Brown**

*"I am proud to work for a company that excels in identifying, growing and nurturing diverse businesses. In my opinion, the SDG&E supplier diversity team is the best because they actually care and value our suppliers."*

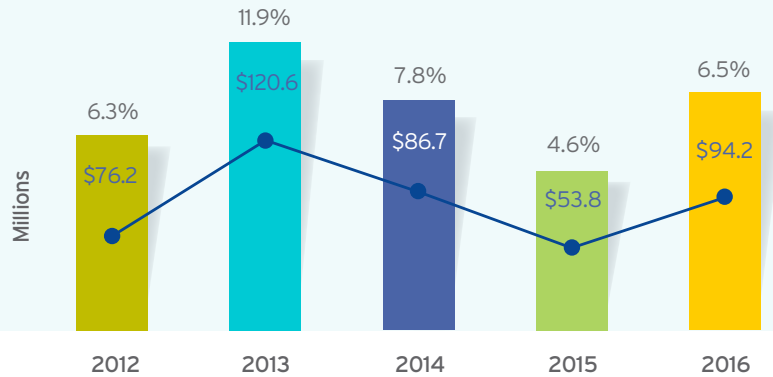
**Q: Being relatively new to the organization and a new Supplier Diversity Ambassador, what observations or challenges have you experienced working with diverse suppliers?**

**A:** In my current role, I support a very complex and capital-intensive portfolio generation. Many of our diverse suppliers lack the required resources to effectively compete in this commodity. For example, we have high insurance and bonding requirements. My advice to diverse business is to partner with larger prime suppliers and seek mentoring and subcontracting opportunities.

## Minority Women Business Enterprise (MWBE) procurement

Spending with MWBEs was nearly \$94.2 million in 2016. At 6.5 percent, this represents a significant increase from our 2015 results of 4.6 percent. The increase in 2016 MWBE spend can primarily be attributed to \$14.2 million in materials and logistics spend with Hispanic American female-owned businesses on the San Luis Rey Synchronous Condenser project and \$8.0 million in surveying and trucking services for the PSEP project. This segment of diverse suppliers will continue to be an area of focus of SDG&E's development efforts. We will continue to make a concerted effort to help grow and nurture minority women-owned businesses through a variety of outreach activities.

### MINORITY WOMEN-SDG&E 2012 TO 2016 (\$ AND %)



Luna's Trucking: **Mary Luna**

*"As a result of solid partnerships and great mentors, Luna's Trucking has continued to increase our business acumen and develop strong business practices."*

**Q: What are some key factors in partnering with SE Pipe Line that has helped your diverse business continually grow?**

- A:**
- The adoption of SE Pipe Line's safety practices/culture has helped Luna's Trucking maintain a 10-year accident-free safety record.
  - The development of streamlined ordering and invoicing processes has reduced internal operating costs which allowed us to maintain competitive business rates.
  - The frequency of periodic performance reviews with SE Pipe Line has allowed our company to provide outstanding customer service and jobsite adaptability.



SE Pipe Line: **Shannon Hearn, Vice President of SE Pipeline Construction**  
sepipeline.com

*"I am a forward thinker who believes that success is derived from a strong sense of integrity and I surround myself with a like-minded team. Growth is derived from providing consistent quality service and understanding that our customer's needs are paramount."*

**Q: Can you provide some insight on how you are able to identify, develop and retain diverse suppliers for subcontracting opportunities?**

**A:** We look for companies that share SE Pipe Line's commitment to safety and quality of service. While we understand that smaller companies often lack the resources required to meet our demands, we help build our suppliers through mentorship and sustained growth. Luna's Trucking has been a long standing and trusted subcontractor for over 10 years and together we have grown to achieve significant milestones and success.

## Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE) procurement

SDG&E spent more than \$937 thousand or 0.07 percent with LGBTBE businesses in the first year of GO 156 reporting on LGBTBE spend. As part of outreach efforts, we participated in the NGLCC's conference and Southern California networking and matchmaking events. We reached out to LGBTBE suppliers in the Supplier Clearinghouse and met with 17 companies to identify potential new suppliers for procurement opportunities.



Pride Resource Partners LLC., **Joe Maak, CEO**  
prideresourcepartners.com

*"I have a passion to connect with the local community and this past year we established a scholarship in perpetuity with Mira Costa College, supported by the local Gay Men's Chorus of San Diego and the Trevor Project. We were also able to provide help to City of Hope, Bridging Hearts, and Habitat for Humanity."*

**Q: Pride Resource Partners has quickly excelled as one of SDG&E's premier project management consulting suppliers. How have you been able to grow your business at such a rapid rate?**

**A:** Through the mentorship and coaching of Burns & McDonnell and SDG&E, I was quickly able to develop from a subcontractor into a prime supplier. I participated in the technical assistance program which provided me with guidance, training and contracting opportunities.



Burns & McDonnell, **David Harr, Project Manager**  
burnsmcd.com

*"Burns & McDonnell is proud to have partnered with SDG&E to identify and grow a number of diverse businesses that are instrumental to our successful execution of many projects."*

**Q: Can you provide some insight on how you are able to identify, develop and retain diverse suppliers for subcontracting opportunities?**

**A:** Burns & McDonnell not only understands the value of diversity but is committed to maintaining a wide, diverse mix of suppliers who provide innovative ideas and a service-oriented attitude. Our goal is to help diverse suppliers grow their businesses and become strategic partners.

### Description of WMDVLGBTBE with CA Majority Workforce

SDG&E is unable to provide this data as the Supplier Clearinghouse does not collect this information.

#### 9.1.3 ITEMIZATION OF WMDVLGBTBE PROGRAM EXPENSES

Expenses for the 2016 supplier diversity program include items such as collateral development, networking events, technical assistance, capacity building, CPUC Supplier Clearinghouse payments, office support services and other program expenses.

Expenses Category	Cost (In thousands)
Wages	\$512
Program Expense	\$285
Consultants	\$52
Total	\$849

#### 9.1.4 SDG&E EXCEEDS ALL WMDVLGBTBE CATEGORY GOALS SET BY THE CPUC

Through carefully managed programs and the full support of SDG&E management, SDG&E continues to exceed CPUC spend goals in every category.

Category	2016 Results	2016 Goals
Minority Men	20.31%	0.00%
Minority Women	6.54%	0.00%
Minority Business Enterprise (MBE)	26.85%	15.00%
Women Business Enterprise (WBE)	13.43%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.07%	0.00%
Service Disabled Veteran Business Enterprise (DVBE)	2.69%	1.50%
Total WMDVLGBTBE	43.03%	21.50%

% = PERCENTAGE OF NET PROCUREMENT

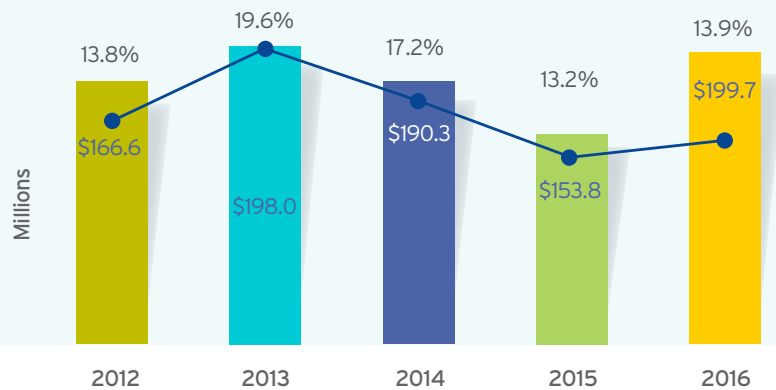


## 9.1.5 SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVLGBTBE SUBCONTRACTORS

### DBE Subcontracting - SDG&E 2012 to 2016

Subcontracting by our prime contractors continues to provide opportunities for diverse businesses, as more than 13.9 percent of total spend, or \$199.7 million, was generated by DBE subcontractors in 2016.

#### SUBCONTRACTING-SDG&E 2012 TO 2016 (\$ AND %)



2016 SDG&E	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	Other 8 (a)*	Total (WMDVLGBTBE)
Direct \$	\$243,164,067	\$31,898,046	\$275,062,113	\$128,254,626	\$835,259	\$15,926,559	\$0	\$420,078,557
Subcontracting \$	\$49,337,312	\$62,281,658	\$111,618,970	\$65,184,267	\$102,249	\$22,816,777	\$0	\$199,722,263
Total \$	\$292,501,379	\$94,179,704	\$386,681,083	\$193,438,893	\$937,508	\$38,743,336	\$0	\$619,800,820
Direct %	16.88%	2.21%	19.10%	8.90%	0.06%	1.11%	0.00%	29.17%
Subcontracting %	3.43%	4.32%	7.75%	4.53%	0.01%	1.58%	0.00%	13.87%
Total %	20.31%	6.54%	26.85%	13.43%	0.07%	2.69%	0.00%	43.03%

Net Procurement	\$1,440,288,240
-----------------	-----------------

\* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
 \*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
 Direct - DIRECT PROCUREMENT  
 Sub - SUBCONTRACTOR PROCUREMENT  
 % - PERCENTAGE OF NET PROCUREMENT



Patriot General, **Steve Garcia**  
 patriotgen.com

*"San Diego Gas & Electric Company is not only the most valued client we have, but is also directly responsible for Patriot's growth and success."*

**Q: Over the past 9 years you have had continued success with SDG&E. What advice would you provide to other new diverse suppliers who are entering the competitive market in electric construction?**

**A:** Patriot General has maintained a partnership with SDG&E that has spanned close to 9 years. 2016 was a year of growth which allowed us to provide services in substations. Opportunities in subcontracting have been most valuable to our success, especially partnering with primes such as Henkels and McCoy.



Henkels and Mc Coy, **Daniel Ashmore, Vice President West Region**  
 henkels.com

*"It's been a privilege to partner with diverse businesses and watch them grow organically. Some started very small and, with our guidance, are now viewed as leaders in the areas they serve."*

**Q: In 2016, Henkels & McCoy established an increased focus on supplier diversity with their key customers such as SDG&E. How has this benefited your company?**

**A:** Henkels understands the value of incorporating new suppliers into the supply chain which has led to a transformational diversity task team. We now have a concentrated emphasis for expanding our diverse supplier database; which contributes to delivering outstanding performance to meet the demands of Henkels customers and serving the many diverse communities they represent.



SDG&E foresees an increase in capital project spend in the coming years. Some of these opportunities include: wood to steel, transmission/substation, battery storage, infrastructure relocation, and synchronized condenser.



DBE Ambassador, **Denis Sanford**

***"We plan our projects and then work the plan."***

**Q. As a portfolio manager for major capital infrastructure projects, what would you say are some key factors your department identifies in selecting diverse suppliers to support these projects?**

**A.** Part of our plan for success is a procurement and contracting strategy which includes diverse suppliers. We actively look for quality diverse suppliers who can perform and compete in a competitive bid environment. Some of the key factors we look for are knowledge and expertise on the product and/or services that the supplier is marketing. We then look at qualifying the supplier for a specific construction category and/or goods or services. In the qualification process we take into consideration the supplier's management team, safety statistics, quality, financial strength and the ability to execute if awarded the work. We want diverse suppliers to succeed so we look for bid opportunities that match their capabilities.

### **9.1.6 LIST OF WMDVLGBTBE COMPLAINTS**

There were no formal complaints filed against SDG&E with the CPUC or lawsuits filed in 2016 in relation to SDG&E's supplier diversity program.

### **9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/ SERVICES IN EXCLUDED CATEGORIES**

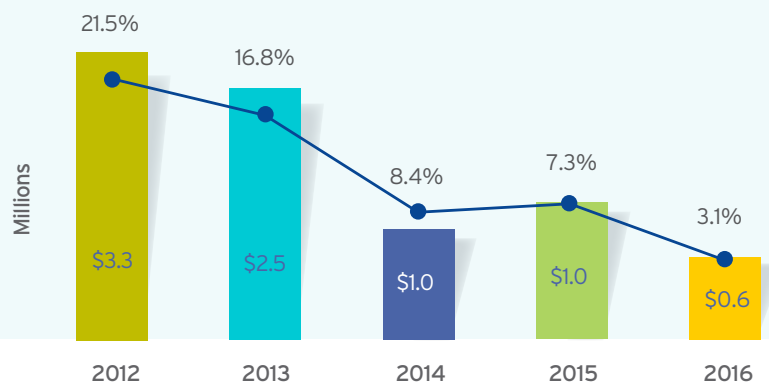
The General Order 156 Ruling issued on November 14, 2003 ended exclusions, resulting in specific categories no longer being deducted from the fundamental procurement amount.

### **9.1.8 DESCRIPTION OF EFFORTS IN UNDERUTILIZED AREAS**

SDG&E continues to focus on increasing the number of diverse suppliers as well as the spend in low utilization categories. In the financial services area, \$0.6 million was spent with diverse firms in 2016, or 3.1 percent DBE spend. In legal services area, \$1.4 million was spent with DBE law firms, or 7.8 percent.



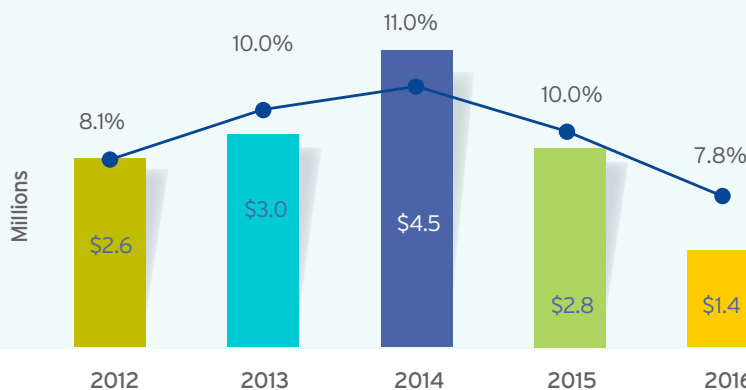
## FINANCE - SDG&E 2012 TO 2016 (\$ AND %)



## FINANCIAL SERVICES

The financial services community remains an important part of SDG&E's outreach efforts. Our executives and stakeholders are aware of the importance of penetrating this service sector and are assisting in actively seeking out qualified diverse suppliers for specific financial reviews and audits. Our executives, directors and managers continue to participate in numerous financial networking events designed to give exposure to diverse suppliers.

## LEGAL - SDG&E 2012 TO 2016 (\$ AND %)



## LEGAL SERVICES

SDG&E recognizes the importance of working with diverse legal firms to increase spending with DBEs. In 2016 legal DBE spending was \$1.4 million, representing 7.8 percent of all legal spending.

SDG&E's supplier diversity team works closely with the DBE Ambassador from legal services to identify qualified diverse firms in the areas of: general law, securities, real estate, intellectual property, workers' compensation, venture capital projects, employment law, and asset recovery.

SDG&E also sees the value in promoting utilization of diverse attorneys and paralegals at non-diverse firms. In 2016 SDG&E spent nearly \$6.9 million with minority and female attorneys and \$652.4 thousand with minority and female paralegals at majority-owned law firms, representing nearly 51 percent of total spend at those firms.

2016 SDG&E Legal Spend: Diverse Attorney Work Within Non-DBE Legal Firms Attorney Time Billed in 2016**		Total*
Minority Men	African American	\$130,606
	Asian Pacific American	\$22,323
	Hispanic American	\$58,288
	Native American	\$0
	Other	\$1,409,099
	Total Minority Men	\$1,620,316
Minority Women	African American	\$153,416
	Asian Pacific American	\$421,906
	Hispanic American	\$0
	Native American	\$0
	Other	\$152,191
	Total Minority Women	\$737,513
Total Minority Business Enterprise (MBE)		\$2,347,829
Women Business Enterprise (WBE)		\$4,559,501
Service Disabled Veteran Business Enterprise (DVBE)		\$0
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0
Non-DBE		\$6,598,376
Grand Total: All DBE/Non-DBE		\$13,505,706

\*Note: Figures are estimated.

\*\*Note: This spend is not included in our WMDVLGBTBE results.

2016 SDG&E Legal Spend: Diverse Paralegal Work Within Non-DBE Legal Firms Paralegal Time Billed in 2016**		Total*
Minority Men	African American	\$0
	Asian Pacific American	\$0
	Hispanic American	\$38,802
	Native American	\$0
	Other	\$61,346
	Total Minority Men	\$100,148
Minority Women	African American	\$38,039
	Asian Pacific American	\$30,852
	Hispanic American	\$90,438
	Native American	\$0
	Other	\$145,889
	Total Minority Women	\$305,218
Total Minority Business Enterprise (MBE)		\$405,366
Women Business Enterprise (WBE)		\$247,084
Service Disabled Veteran Business Enterprise (DVBE)		\$0
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0
Non-DBE		\$531,491
Grand Total: All DBE/Non-DBE		\$1,138,941

## 9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E preserves all documents and data related to its DBE annual report for (a) three years or (b) the timeframe that is in compliance with SDG&E's internal document retention policy, whichever comes later. SDG&E will provide these documents and data to the CPUC upon request.

## 9.1.10 SUMMARY OF PURCHASES IN PRODUCT AND SERVICE IN ADDITIONAL CATEGORIES

Per General Order 156, this section reports the summary of purchases in product and service categories that include renewable and non-renewable energy, wireless communications, broadband, smart grid and rail projects, in addition to current reporting categories. For our renewable energy-related projects, we have outlined some of our accomplishments below.

- SDG&E continues to outperform California's renewable standards requirements. In fact, in 2016, more than 40 percent of the energy delivered to our customers came from renewables.
- In the area of smart grid, SDG&E reported 35 percent DBE spend in 2016, once again surpassing our goal of 15 percent. We continue to utilize innovation to include diverse suppliers in major projects.

### Electric Program Investment Charge (EPIC)

EPIC was previously established by the CPUC in D.11-12-035 to provide public interest investments in applied research and development, technology demonstration and deployment, market support, and market facilitation of clean energy technologies and approaches for the benefit of ratepayers of California investor-owned utilities (IOUs). D.12-05-037 established the purposes and governance structure for EPIC and D.13-11-025 clarified many of the program's regulatory requirements.

EPIC is designed to provide funding for electric utility research, development, and demonstration (RD&D). Specific funding allotments are made to four EPIC program administrators, including SDG&E. The EPIC program is intended to run until 2020 and is comprised of three triennial program cycles (i.e., EPIC-1, EPIC-2, EPIC-3).

In compliance with GO 156 requirements, we are incorporating by reference "SDG&E 2016 EPIC Annual Report", which was submitted to the CPUC February 28, 2017. This report provides detailed information about SDG&E's EPIC plans, projects and spend.

# 2017 DBE annual plan

## 10.1.1 GOALS

SDG&E is committed to a 40 percent targeted supplier diversity spend goal. In order to achieve this goal, we will focus on building a sustainable business model with our diverse suppliers.

- Achieve 40% in spending with DBEs.
- Develop a robust program including Champions, Ambassadors, and Primes (CAP) to help advance the supplier diversity programs.
- Continue efforts to expand access to financial resources for our small businesses and diverse suppliers.
- Continue to foster relationships with the LGBT community and help identify new LGBT certified suppliers.

### Discover: "Discovering New Suppliers"

- ❖ Identify new suppliers that align with SDG&E business needs.
- ❖ Review capabilities and prequalify DBEs.
- ❖ Participate in Technical Assistance Tier 1.
- ❖ Connect with community based organizations (CBOs).



NWB Environmental, **Michael Taylor**  
nwbenvironmental.com

#### Discover New Suppliers

*"I firmly believe that success is discovered at an intersection where opportunity and readiness come together."*

### Develop: "Developing a Strong Foundation"

#### For small suppliers with revenues less than \$5 million

- ❖ Participate in financial capabilities technical assistance to determine financial readiness.
- ❖ Enroll in the SCORE program.
- ❖ Qualify for Supplier Quick Pay Program.
- ❖ Participate in networking opportunities with prime contractors.



Pangea Biological, **Amy Rowland, President**  
pangeabiological.com

#### Develop a Strong Foundation

*"Every company's foundation needs to be built upon growing trusting relationships, developing strategic partnerships and successfully completing projects on time and on budget."*

### Grow: "Growing your Business"

#### For medium-size suppliers that are building capacity for large-scale contracts

- ❖ Participate in SDG&E's Diverse Supplier Capital Initiative to access capital readiness.
- ❖ Participate in Technical Assistance Tier 2.
- ❖ Focus on expanding capacity and increasing revenue.



PRAVA Construction Services, Inc., **Glenn Torrez, President/CEO**  
pravacsi.com

#### Grow Your Business

*"During our 13+ years in business SDG&E has been very supportive. Their leadership, guidance and mentoring have played a significant role in our growth."*

### Sustain: "Sustaining for the Future"

#### For medium to large size suppliers focused on maintaining consistent growth and revenue

- ❖ Participate in SDG&E's Diverse Supplier Capital Initiative to access capital readiness.
- ❖ Participate in Technical Assistance Tier 3.
- ❖ Mentor and identify diverse suppliers for subcontracting opportunities.



A.M. Ortega Construction, **Maurice Ortega, President**  
amortega.com

#### Sustain for the Future

*"The measure of our company's sustainability can be defined by our hard working, dedicated employees; continuous focus on training to ensure high performance in safety; and the relentless commitment to quality control."*

## Diverse supplier annual short-, mid-, and long-term goals by product and service categories by percentage of spend

The SDG&E supplier diversity goal is to exceed the requirements of General Order 156, in our short-, mid-, and long-term goals. Since the makeup of our diverse suppliers is ever changing, we have not established specific goals within each sub-category.

San Diego Gas & Electric						2016					G.O. #156 Sec. 10.1.1				
WMDVLGBTBE Annual SHORT, MID, AND LONG-TERM Goals by Product and Service Category															
	Short-Term (2017)					Mid-Term (2019)					Long-Term (2020)				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE
PRODUCTS	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%
	Short-Term (2017)					Mid-Term (2019)					Long-Term (2020)				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	TOTAL WMDVLGBTBE
SERVICES	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%
TOTAL	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	21.50%



The FIRM program is a portfolio of electric distribution overhead projects that strategically re-builds sections of existing circuits to reduce the wildfire risk in the Fire Threat Zone. Steel poles, fiberglass cross arms, aluminum and steel conductors and advanced SCADA devices are all utilized when scoping and engineering projects.

SDG&E DBE Ambassador, **Molly Amendt**

**Q. How is your department strategically working with the supplier diversity team to identify opportunities for diverse suppliers?**

**A.** FIRM utilizes suppliers for almost all aspects of the program, including program management, design and engineering, permitting, environmental monitoring, land acquisition, construction material and construction contracting. With FIRM being a multi-year capital investment program, there are significant opportunities to identify diverse suppliers in many spend categories, for both short and long term contracts, where strong relationships can be nurtured.



### **10.1.2 DESCRIPTION OF WMDVLGBTBE PROGRAM ACTIVITIES**

#### **INTERNAL**

SDG&E will review and augment the internal activities detailed in Section 9.1.1 of this report to build upon the success of our program, with continued focus on working capital accessibility. We are identifying strategies to increase DBE participation for each portfolio, major project and department.

#### **EXTERNAL**

SDG&E will continue to build upon the successful external strategies described in Section 9.1.1 of this report. The SCORE program continues to be successful at developing new DBEs and we will continue to offer additional opportunities to our SCORE suppliers. The success of SDG&E's technical assistance program will continue in 2017 through the efforts of our staff and community partners.

### **10.1.3 PLANS FOR RECRUITING WMDVLGBTBE WHERE WMDVLGBTBE UTILIZATION HAS BEEN LOW**

In legal and financial services, we plan to continue our outreach and mentoring activities with the goal of engaging our legal and financial teams early in the process to promote inclusion.

### **10.1.4 PLANS FOR RECRUITING WMDVLGBTBE IN ANY EXCLUDED CATEGORY**

SDG&E has eliminated all excludable items in compliance with General Order 156.

### **10.1.5 SUBCONTRACTING ACTIVITIES**

Expanding on our past success of having prime contractors engage diverse subcontractors, we will continue to enhance activities outlined in Section 9.1.5 of this report. We will continue to improve upon processes for tracking and comparing subcontracting commitments to actual prime contractor subcontracting spend.

SDG&E assigns a supplier diversity professional to every major prime contractor with a subcontracting commitment. These efforts enable the Supplier Diversity team to better manage the prime contractors' performance and identify opportunities for continuous improvements.

### **10.1.6 PROGRAM COMPLIANCE**

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.



## ***2016 DBE Power procurement annual report***



## Executive summary

In 2016, SDG&E continues to lead the procurement of electric and fuel resources with diverse suppliers, spending nearly \$68 million or 21.6 percent in electric and gas purchases. This meets the 21.5 percent goal set by the CPUC in General Order 156.

In addition, SDG&E was the first utility to achieve California's renewables goal of 33 percent five years ahead of target. In 2016, more than 40 percent of the energy delivered to our customers comes from renewables. We procured nearly \$64 million or 38.6 percent of our natural gas purchases with DBEs.



VP Electric & Fuel Procurement, **Emily Shults**

***"Intrapreneurship, disrupting internal processes and cultural norms to stimulate diverse perspectives."***

**Q. As the utility industry continues to evolve, how do you foresee electric and fuel procurement supporting supplier diversity?**

**A.** SDG&E will work to support supplier diversity by:

- Looking deeper into new market segments beyond the procurement of natural gas, such as those in distributed energy and energy storage.
- Examining opportunities to leverage customer programs, such as those focused on clean energy, energy efficiency, demand response, and clean transportation to create additional opportunities for DBE participation.
- Taking a proactive stance to collaborate with other utilities and the CPUC to create awareness, manage costs and reduce risk.

Technical assistance, mentoring and program development are cornerstones of our success. To help increase DBE participation in electric and fuel procurement, we will continue to utilize one-on-one mentoring, cultivate relationships between prime contractors and DBEs, and provide DBEs greater access to the Western Systems Power Pool (WSPP).



## 9.1.1 DESCRIPTION OF WMDVLGBTBE PROGRAM ACTIVITIES



SDG&E Ambassador, **Steve Taylor**

***"Regulations are causing our industry to readjust and adapt which leads to new innovation, new technology and new solutions."***

**Q: Power procurement is experiencing significant changes. How can diverse businesses navigate the changes in power procurement?**

**A:** SDG&E will continue to educate, assess and partner with our diverse suppliers to identify new opportunities in Community Choice Aggregation (CCA), renewable battery storage, and other new technologies or mandates.

## INTERNAL ACTIVITIES

### **Executive support and DBE commitment**

Our supplier diversity team works closely with the Electric and Fuel Procurement team to achieve and surpass their DBE procurement goals. We collaborate to find new ways to enhance the DBE program and expand the DBE pool.

Under the leadership of Emily Shults, Vice President for Electric and Fuel Procurement, we meet monthly to analyze upcoming procurement needs and discuss inclusion opportunities for DBEs.

### **Champions and Ambassadors**

SDG&E Champions and Ambassadors are a tremendous asset to our initiatives. They work closely with the supplier diversity team promoting creativity, developing strategic proposals and participating in matchmaking events. Our Champions and Ambassadors are decision-makers, advocates and agents for change.



## EXTERNAL/OUTREACH ACTIVITIES

### Commission briefings

Throughout the year, SDG&E, along with Pacific Gas & Electric (PG&E) and Southern California Edison (SCE), met with the CPUC to discuss challenges and advances within power procurement from a DBE perspective. The joint meetings were successful and included discussion on ways to incorporate strategies to help diverse businesses develop in this complex commodity.

### 2016 Pre-bidder's workshop

SDG&E hosted pre-bidder's workshops and conference calls throughout the year to clarify the requirements for participation in SDG&E Requests for Offers (RFOs). We continue to provide extensive background information and presentations on resource eligibility, project capacity, location/site control, interconnection, deliverability studies, PPA terms and evaluation criteria. The feedback we have received from DBEs has been very positive.

### Mentoring

Our mentoring efforts continue to be very important in the power procurement commodity and we believe they are essential for the success of our DBEs. In 2017, the need for access to capital will continue to be a major challenge for DBEs. We plan to coordinate with financial institutions and to provide technical assistance programs to help DBEs strengthen their readiness and ability to achieve additional sources of capital.

## 9.1.2 SUMMARY OF WMDVLGBTBE PURCHASES AND/OR CONTRACTS

### Natural gas

SDG&E remains committed to creating opportunities for diverse natural gas suppliers and we are proud to report that our purchases from DBE natural gas suppliers were nearly \$64 million.

SDG&E reported over \$85,000 on the 2016 Annual Energy Product of post-commercial subcontracting spend.

### Goal progress

SDG&E achieved the goal set by the CPUC with a successful 21.6 percent DBE spend in energy products for 2016. In procuring natural gas for our electric generation plants, SDG&E purchased nearly \$64 million, or 38.6 percent, of all of its natural gas from DBEs in 2016.

### Subcontractors

SDG&E encourages partnering and teaming arrangements between developers and DBEs. In 2016, nearly \$840,000 was spent with DBEs during pre-commercial development and construction phases. The pre-commercial development spend cannot be counted towards General Order 156 requirements. SDG&E will continue to identify significant opportunities for DBE participation for subcontracting spend in electric power plant construction.

**2016  
Pre-COD DBE Spend  
nearly \$840,000**

### **9.1.3 ITEMIZATION OF WMDVLGBTBE EXPENSES**

Program expenses are included in Section 9.1.3 in the 2016 Diverse Business Enterprises Products and Services Section.

### **9.1.4 GOAL PROGRESS**

SDG&E achieved the goal set by the CPUC with a successful 21.6 percent DBE spend in energy products for 2016. In procuring natural gas for our electric generation plants, SDG&E purchased nearly \$64 million, or 38.6 percent, of all of its natural gas from DBEs in 2016.

### **9.1.5 SUBCONTRACTORS**

SDG&E encourages partnering and teaming arrangements between developers and DBEs. In 2016, nearly \$840,000 was spent with DBEs during pre-commercial development and construction phases. The pre-commercial development spend cannot be counted towards General Order 156 requirements. SDG&E will continue to identify significant opportunities for DBE participation for subcontracting spend in electric power plant construction.

### **9.1.6 COMPLAINTS**

There were no formal complaints filed in 2016.

### **9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES**

Per the CPUC's decision to end excludable categories for gas procurement, SDG&E no longer reduces the procurement base with Canadian and offshore volumes.

For electric procurement, purchases excluded from reporting are: physical or financial purchase transactions with the California Independent System Operator (CAISO), other investor-owned utilities, utilities, federal entities, state entities, municipalities and cooperatives.

### **9.1.8 DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS**

The electric commodity market is an underutilized area for DBE participation, but through SDG&E's efforts (outlined in Section 9.1.1 to inform and educate DBEs about potential opportunities), the number of suppliers continues to rise.

### **9.1.9 RETENTION OF ALL DOCUMENTS/DATA**

SDG&E will comply with all regulations.

### **9.1.10(A) PARTICIPATION RESULTS BY FUEL CATEGORY**

Please see chart in Section 9.1.2 for the summary of results by fuel category.

### **9.1.10(B) MARKET CONDITIONS AND OUTREACH**

SDG&E has an obligation to procure least cost, best-fit electricity from suppliers. Suppliers must also meet SDG&E's credit requirements to manage risk exposure. Some diverse suppliers have limited access to credit and have difficulties competing with large electric generators financed by investment firms or commercial banks. To address this challenge, SDG&E continues to work with individual DBEs on credit requirements in order to foster their participation in the electricity market.

SDG&E and other utility buyers utilize the Funds Transfer Agency Agreement, a specialized credit instrument to assist small suppliers in short term procurement opportunities. This tool allows for diverse suppliers to gain entry into a capital-intensive portion of our power procurement process, without having to utilize their available lines of credit.

## **2017** DBE power procurement annual plan

### **10.1.1 GOALS**

Category	2017-2020 Goals
Minority Business Enterprise (MBE)	15.0%
Women Business Enterprise (WBE)	5.0%
Service-Disabled Veteran Business Enterprise (DVBE)	1.5%
Total	21.5%

### **10.1.2 DESCRIPTIONS OF WMDVLGBTBE PROGRAM ACTIVITIES**

In 2017, SDG&E plans to continue its successful program for including diverse suppliers in gas procurement and the electric commodity market as outlined in Section 9.1.1.

## **AREAS OF FOCUS FOR 2017**

### **Mentoring**

Mentoring has been very successful for our diverse suppliers in power procurement. In 2017, we will continue our mentoring efforts to include online workshops. These workshops will share requirements needed for upcoming RFOs.

### **Training**

SDG&E will incorporate DBEs within the power commodity to participate in our technical assistance programs that offer specific, related training to overcome the barriers identified such as access to capital and financial acumen. This training will help DBEs identify supplier readiness to successfully access capital.

### **Subcontracting**

SDG&E strongly encourages our developers to incorporate DBEs for subcontracting opportunities. We will continue to track the progress and introduce new DBEs to our developers for pre-COD opportunities.

### **Collaborating**

SDG&E will continue to participate in joint utility meetings to discuss strategies for DBEs to enter and sustain in the power commodity. We will exchange best practices and lessons learned to enable a broader base of DBEs.

### **10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN UNDERUTILIZED AREAS**

Refer to Sections 9.1.10(B) and 10.1.2 of this report for analysis and corresponding planned activities to recruit diverse suppliers in all of the areas considered underutilized.

### **10.1.4 PLANS FOR RECRUITING WMDVLGBTBES IN ANY EXCLUDED CATEGORY**

Due to the nature of the excluded categories mentioned in Section 9.1.7, SDG&E will not plan any specific activities for these excluded categories.

### **10.1.5 SUBCONTRACTING ACTIVITIES**

SDG&E will work together with other market participants to help expand the interpretation of General Order 156 for electric procurement, such that all related costs will become opportunities for DBEs. SDG&E will work closely with the other utilities and the CPUC to incorporate DBEs prior to the COD of a project as this represents significant opportunities with fewer barriers to entry. SDG&E will work with developers and their engineering, procurement and construction (EPC) contractors to utilize DBEs in the development phase of a project.

### **10.1.6 PROGRAM COMPLIANCE**

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.

## Organizations & events

### **American Association of Blacks in Energy**

- National Conference

### **Asian Business Association**

- Digital Marketing Tools Workshops

### **Asian Business Association Orange County (ABA-OC)**

- Annual Recognition and Achievement

### **Asian Business Association San Diego (ABA-SD)**

- Annual Lunar New Year Celebration
- Rice Club Luncheons

### **Asian Business Association San Diego (ABA-SD)**

- Talk series

### **American Indian Chamber of Commerce, California (AICC)**

- Annual Scholarship & Awards Luncheon
- Annual Native American Heritage Luncheon
- Annual Conference Business Expo

### **Black Business Association (BBA)**

- Awards Dinner in Recognition of African American Heritage
- Awards Dinner Gala
- Salute to Black Women Business Conference & Awards Luncheon
- Procurement Exchange Summit

### **Cal Asian Chamber of Commerce**

- California Asian Business Summit

### **California Black Chamber of Commerce (CBCC)**

- Legislative "Welcome" Reception and Capital Policy Luncheon
- Foundation Youth Scholarship
- Ron Brown Summit and Conference

### **California DVBE Alliance (CADVBE)**

- Keeping the Promise Business Expo
- Salute to Veterans Day Breakfast

### **California Hispanic Chamber of Commerce (CAHCC)**

- Annual Conference

### **Central San Diego Black Chamber of Commerce (CSDBCC)**

- Annual Awards Gala
- Underrepresented contractor's workshops
- Talk Series

### **Diversity Professional Connect**

- Diversity Forum & Sharing of Best Practices

### **Edison Electric Institute (EEI)**

- Annual Supplier Diversity Conference

### **Elite Service Disabled Veteran Owned Business (SDVOB)**

- Annual National Convention of Service Disabled Veterans & Small Businesses Conference
- Sponsorship & Appreciation Luncheon

### **Greater LA African American Chamber of Commerce (GLAAACC)**

- Economic Awards Dinner

### **Greenlining**

- Annual Economic Summit
- Greenlining Annual Report Card

### **National Association of Regulatory Utility Commissioners**

- Gaining the Competitive Advantage

### **National Association of Women Business Owners-LA (NAWBO-LA)**

- NAWBO Awards Luncheon

### **National Association of Women Business Owners-SD (NAWBO-SD)**

- NAWBO-SD Bravo Awards
- Networking Conference

### **National Gay & Lesbian Chamber of Commerce**

- Annual Gala Leadership Conference
- National International Business & Leadership Conference

### **National Minority Supplier Development Council (NMSDC)**

- National Council Conference and Business Opportunity Fair

### **San Diego Business Journal**

- Diversity and Inclusion Workshop

### **SCORE**

- Diversity Workshop

### **Southern California Economic Summit**

### **Southern California Minority Business Development Council (SCMBDC)**

- Minority Business Opportunity Day
- Supplier of The Year (SOTY) Awards Gala
- Leadership Excellence Awards Dinner

### **Women's Business Enterprise Council - West (WBEC-WEST)**

- San Diego & LA Corporate Connection Dine Around
- Procurement Opportunity Conference and Platinum Supplier Program

### **Women's Business Enterprise National Council (WBENC)**

- National Conference

## SDG&amp;E WMDVLGBTBE annual results by ethnicity

		2016			
		Direct	Sub	Total \$	%
Minority Male	Asian Pacific American	\$ 46,191,263	\$ 9,537,256	\$ 55,728,519	3.87%
	African American	\$ 19,292,181	\$ 16,295,583	\$ 35,587,764	2.47%
	Hispanic American	\$ 123,689,546	\$ 22,640,963	\$ 146,330,509	10.16%
	Native American	\$ 53,991,077	\$ 863,510	\$ 54,854,587	3.81%
	Other	\$ -	\$ -	\$ -	0.00%
	<b>Total Minority Male</b>	<b>\$ 243,164,067</b>	<b>\$ 49,337,312</b>	<b>\$ 292,501,379</b>	<b>20.31%</b>
Minority Female	Asian Pacific American	\$ 11,565,813	\$ 10,721,118	\$ 22,286,931	1.55%
	African American	\$ 12,178,207	\$ 685,941	\$ 12,864,148	0.89%
	Hispanic American	\$ 8,154,026	\$ 50,638,425	\$ 58,792,451	4.08%
	Native American	\$ -	\$ 38,537	\$ 38,537	0.00%
	Other	\$ -	\$ 197,637	\$ 197,637	0.01%
	<b>Total Minority Female</b>	<b>\$ 31,898,046</b>	<b>\$ 62,281,658</b>	<b>\$ 94,179,704</b>	<b>6.54%</b>
<b>Total Minority Business Enterprise (MBE)</b>		<b>\$ 275,062,113</b>	<b>\$ 111,618,970</b>	<b>\$ 386,681,083</b>	<b>26.85%</b>
<b>Women Business Enterprise (WBE)</b>		<b>\$ 128,254,626</b>	<b>\$ 65,184,267</b>	<b>\$ 193,438,893</b>	<b>13.43%</b>
<b>Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)</b>		<b>\$ 835,259</b>	<b>\$ 102,249</b>	<b>\$ 937,508</b>	<b>0.07%</b>
<b>Service Disabled Veteran Business Enterprise (DVBE)</b>		<b>\$ 15,926,559</b>	<b>\$ 22,816,777</b>	<b>\$ 38,743,336</b>	<b>2.69%</b>
<b>Other 8(a)*</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total WMDVLGBTBE</b>		<b>\$ 420,078,557</b>	<b>\$ 199,722,263</b>	<b>\$ 619,800,820</b>	<b>43.03%</b>
<b>Net Procurement**</b>		<b>\$ 1,440,288,240</b>			

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT

## SDG&E WMDVLGBTBE procurement by product and service categories - direct

			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Direct	\$ 8,775,225	2.07%	\$ 37,416,038	3.68%	\$ 46,191,263	3.21%
	African American	Direct	\$ 3,475,620	0.82%	\$ 15,816,561	1.56%	\$ 19,292,181	1.34%
	Hispanic American	Direct	\$ 57,360,665	13.55%	\$ 66,328,881	6.52%	\$ 123,689,546	8.59%
	Native American	Direct	\$ 10,818,555	2.56%	\$ 43,172,523	4.25%	\$ 53,991,077	3.75%
	Other	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	<b>Total Minority Male</b>	<b>Direct</b>	<b>\$ 80,430,065</b>	<b>19.00%</b>	<b>\$ 162,734,002</b>	<b>16.00%</b>	<b>\$ 243,164,067</b>	<b>16.88%</b>
Minority Female	Asian Pacific American	Direct	\$ 6,794,072	1.61%	\$ 4,771,741	0.47%	\$ 11,565,813	0.80%
	African American	Direct	\$ 55,475	0.01%	\$ 12,122,733	1.19%	\$ 12,178,207	0.85%
	Hispanic American	Direct	\$ 3,633,896	0.86%	\$ 4,520,130	0.44%	\$ 8,154,026	0.57%
	Native American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Other	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	<b>Total Minority Female</b>	<b>Direct</b>	<b>\$ 10,483,442</b>	<b>2.48%</b>	<b>\$ 21,414,604</b>	<b>2.11%</b>	<b>\$ 31,898,046</b>	<b>2.21%</b>
<b>Total Minority Business Enterprise (MBE)</b>		<b>Direct</b>	<b>\$ 90,913,507</b>	<b>21.48%</b>	<b>\$ 184,148,606</b>	<b>18.11%</b>	<b>\$ 275,062,113</b>	<b>19.10%</b>
<b>Women Business Enterprise (WBE)</b>		<b>Direct</b>	<b>\$ 33,270,772</b>	<b>7.86%</b>	<b>\$ 94,983,853</b>	<b>9.34%</b>	<b>\$ 128,254,626</b>	<b>8.90%</b>
<b>Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)</b>		<b>Direct</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 835,259</b>	<b>0.08%</b>	<b>\$ 835,359</b>	<b>0.06%</b>
<b>Service Disabled Veteran Business Enterprise (DVBE)</b>		<b>Direct</b>	<b>\$ 2,348,241</b>	<b>0.55%</b>	<b>\$ 13,578,318</b>	<b>1.34%</b>	<b>\$ 15,926,559</b>	<b>1.11%</b>
<b>Other 8(a)*</b>		<b>Direct</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total WMDVLGBTBE</b>		<b>Direct</b>	<b>\$ 126,532,521</b>	<b>29.89%</b>	<b>\$ 293,546,036</b>	<b>28.86%</b>	<b>\$ 420,078,657</b>	<b>29.17%</b>
<b>Total Product Procurement \$</b>			<b>\$ 423,262,934</b>					
<b>Total Service Procurement \$</b>			<b>\$ 1,017,025,306</b>					
<b>Net Procurement**</b>			<b>\$ 1,440,288,240</b>					
<b>Total Number of WMDVLGBTBEs that Received Direct Spend</b>			<b>387</b>					

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT



## SDG&E WMDVLGBTBE procurement by product and service categories - subcontracting

			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Sub	\$ 849,027	0.20%	\$ 8,688,229	0.85%	\$ 9,537,256	0.66%
	African American	Sub	\$ 4,890,447	1.16%	\$ 11,405,136	1.12%	\$ 16,295,583	1.13%
	Hispanic American	Sub	\$ 4,780,433	1.13%	\$ 17,860,530	1.76%	\$ 22,640,963	1.57%
	Native American	Sub	\$ 139,569	0.03%	\$ 723,941	0.07%	\$ 863,510	0.06%
	Other	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	<b>Total Minority Male</b>	<b>Sub</b>	<b>\$ 10,659,476</b>	<b>2.52%</b>	<b>\$ 38,677,836</b>	<b>3.80%</b>	<b>\$ 49,337,312</b>	<b>3.43%</b>
Minority Female	Asian Pacific American	Sub	\$ 3,226,714	0.76%	\$ 7,494,404	0.74%	\$ 10,721,118	0.74%
	African American	Sub	\$ -	0.00%	\$ 685,941	0.07%	\$ 685,941	0.05%
	Hispanic American	Sub	\$ 28,034,960	6.62%	\$ 22,603,465	2.22%	\$ 50,638,425	3.52%
	Native American	Sub	\$ -	0.00%	\$ 38,537	0.00%	\$ 38,537	0.00%
	Other	Sub	\$ -	0.00%	\$ 197,637	0.02%	\$ 197,637	0.01%
	<b>Total Minority Female</b>	<b>Sub</b>	<b>\$ 31,261,674</b>	<b>7.39%</b>	<b>\$ 31,019,984</b>	<b>3.05%</b>	<b>\$ 62,281,658</b>	<b>4.32%</b>
<b>Total Minority Business Enterprise (MBE)</b>		<b>Sub</b>	<b>\$ 41,921,150</b>	<b>9.90%</b>	<b>\$ 69,697,820</b>	<b>6.85%</b>	<b>\$ 111,618,970</b>	<b>7.75%</b>
<b>Women Business Enterprise (WBE)</b>		<b>Sub</b>	<b>\$ 9,745,794</b>	<b>2.30%</b>	<b>\$ 55,438,473</b>	<b>5.45%</b>	<b>\$ 65,184,267</b>	<b>4.53%</b>
<b>Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)</b>		<b>Sub</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 102,249</b>	<b>0.01%</b>	<b>\$ 102,249</b>	<b>0.01%</b>
<b>Service Disabled Veteran Business Enterprise (DVBE)</b>		<b>Sub</b>	<b>\$ 5,189,834</b>	<b>1.23%</b>	<b>\$ 17,626,943</b>	<b>1.73%</b>	<b>\$ 22,816,777</b>	<b>1.58%</b>
<b>Other 8(a)*</b>		<b>Sub</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total WMDVLGBTBE</b>		<b>Sub</b>	<b>\$ 56,856,778</b>	<b>13.43%</b>	<b>\$ 142,865,485</b>	<b>14.05%</b>	<b>\$ 199,722,263</b>	<b>13.87%</b>
<b>Total Product Procurement \$</b>			<b>\$ 423,262,934</b>					
<b>Total Service Procurement \$</b>			<b>\$ 1,017,025,306</b>					
<b>Net Procurement**</b>			<b>\$ 1,440,288,240</b>					

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT

SDG&E WMDVLGBTBE procurement by product category detail

APPENDIX E IN FOLD-OUT ▶

SIC Category	African American		Asian American		Hispanic American		Native American		Other		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female							
	\$	%	\$	%	\$	%	\$	%	\$	%							
14 - Mining & Quarrying Of Nonmetallic Minerals	1,089,163	94.79%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	1,089,163	-	-	-	-	1,089,163	1,148,986
23 - Apparel & Oth Finished Prods Made From Fabric	-	0.00%	106,927	0.00%	-	0.00%	-	0.00%	-	0.00%	106,927	68,761	-	-	-	175,688	206,321
24 - Lumber & Wood Prods, Exc Furniture	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	115,876	-	-	-	115,876	1,409,478
25 - Furniture & Fixtures	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-	-	10,123
26 - Paper & Allied Prods	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	-	3,923	-	3,923	89,350
28 - Chemicals & Allied Prods	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	42,086	-	-	-	42,086	1,035,947
29 - Petroleum Refining & Related Industries	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	1,241,194	-	193,177	-	1,434,371	1,462,894
30 - Rubber & Misc Plastics Prods	-	0.00%	2,434	0.22%	-	0.00%	-	0.00%	-	0.00%	2,434	683	-	1,984	-	5,101	1,115,778
32 - Stone, Clay, Glass & Concrete Prods	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-	-	2,879,056
33 - Primary Metal Industries	-	0.00%	379,622	0.00%	6,633	0.00%	34,578	0.00%	-	0.00%	414,200	2,840	-	-	-	417,040	6,743,249
34 - Fabricated Metal Prods, Exc Machinery	-	0.00%	322,214	1.01%	10,155	0.05%	3,247,399	0.00%	73,933	0.23%	3,660,987	221,422	-	-	-	3,882,408	32,002,694
35 - Industrial & Commercial Machinery & Computer Equip	1,945,243	17.63%	-	0.00%	8,610,089	0.00%	215,201	1.95%	321,968	0.00%	2,482,411	189,019	-	-	-	2,671,431	11,031,607
36 - Electronic & Oth Elec Equip & Components	1,526,818	0.94%	-	5.32%	-	0.00%	1,560,047	0.96%	-	0.00%	11,696,953	5,948,127	-	1,797,958	-	19,443,038	161,857,594
37 - Transportation Equip	-	0.00%	-	0.00%	172,965	2.00%	6,318,711	73.18%	-	0.00%	6,493,796	204,146	-	-	-	6,697,942	8,634,372
38 - Measuring, Analyzing & Controlling Instrumentation	-	0.00%	23,875	0.18%	-	0.00%	-	0.00%	-	0.00%	23,875	1,375,428	-	-	-	1,399,303	13,167,437
39 - Misc Manufacturing Industries	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	-	-	-	-	221,518
50 - Wholesale Trade; Durable Goods	208,237	0.15%	-	0.00%	125,460	6.99%	43,775,107	31.38%	10,882,071	7.80%	96,030,184	15,239,869	-	4,057,651	-	115,327,704	139,510,325
51 - Wholesale Trade; Nondurable Goods	26,965	0.16%	55,475	0.33%	-	0.14%	578,829	3.41%	-	0.00%	737,479	13,034,239	-	1,469,736	-	15,241,454	16,983,592
52 - Bldg Matts, Hardware, Garden Supply	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	283	-	-	-	283	2,347,115
55 - Automotive Dirs & Gasoline Service Stations	3,569,641	20.64%	-	0.00%	-	0.00%	6,394,171	36.98%	-	0.00%	9,963,812	5,179,800	-	-	-	15,143,612	17,291,203
57 - Home Furniture, Furnishings & Equip Stores	-	0.00%	-	0.00%	61,750	0.00%	17,055	0.00%	-	0.00%	78,805	132,124	-	-	-	210,929	1,466,506
58 - Eating & Drinking Places	-	0.00%	-	0.00%	-	2.49%	-	0.69%	-	0.00%	3.18%	5.33%	0.00%	0.00%	0.00%	8.50%	2,480,796
59 - Misc Retail	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	18,159	-	13,647	-	31,806	166,992
Total Products Procurement	8,366,067	1.98%	55,475	0.01%	9,624,252	10,020,786	62,141,098	31,668,856	10,958,124	-	132,834,657	43,016,566	-	7,538,075	-	183,389,299	423,262,934

Total Product Procurement \$	\$ 423,262,934
Total Service Procurement \$	\$ 1,017,025,306

Net Procurement**	\$ 1,440,288,240
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NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
Direct - DIRECT PROCUREMENT  
Sub - SUBCONTRACTOR PROCUREMENT  
% - PERCENTAGE OF NET PROCUREMENT

SDG&E WMDVLGBTBE procurement by service category detail

APPENDIX F IN FOLD-OUT ▶

SIC Category	African American		Asian American		Hispanic American		Native American		Other		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female							
07 - Agricultural Svcs	\$ 536,334	-	2,138,200	-	9,441	32,900	-	-	-	-	2,716,874	1,344,799	-	-	-	4,061,673	26,025,637
	% 2.06%	0.00%	8.22%	0.00%	0.04%	0.13%	0.00%	0.00%	0.00%	0.00%	10.44%	5.17%	0.00%	0.00%	0.00%	15.61%	
13 - Oil & Gas Extraction	\$ -	-	-	-	-	-	-	-	-	-	-	139,799	-	-	-	139,799	3,877,409
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.61%	0.00%	0.00%	0.00%	3.61%	
15 - Bldg Const-General Contractors	\$ -	-	-	3,378,969	12,252,939	-	4,653	-	-	149,274	15,785,834	295,552	-	3,353,519	-	19,434,905	37,527,877
	% 0.00%	0.00%	0.00%	9.00%	32.65%	0.00%	0.01%	0.00%	0.00%	0.40%	42.06%	0.79%	0.00%	8.94%	0.00%	51.79%	
16 - Heavy Const Oth Than Bldg Construction	\$ 984,395	-	-	503,699	41,655,939	390,835	38,302,246	-	-	-	81,837,114	9,735,091	-	611,493	-	92,183,698	257,617,547
	% 0.38%	0.00%	0.00%	0.20%	16.17%	0.15%	14.87%	0.00%	0.00%	0.00%	31.77%	3.78%	0.00%	0.24%	0.00%	35.78%	
17 - Const-Special Trade Contractors	\$ 16,229,224	-	1,892,391	937,638	6,510,730	6,300,234	135,414	-	-	-	32,005,632	59,655,862	-	12,787,519	-	104,449,012	199,351,082
	% 8.14%	0.00%	0.95%	0.47%	3.27%	3.16%	0.07%	0.00%	0.00%	0.00%	16.05%	29.93%	0.00%	6.41%	0.00%	52.39%	
27 - Printing Publishing & Allied Industries	\$ -	-	78,349	-	356,421	537	-	-	-	-	435,307	217,137	-	28,614	-	681,059	1,488,510
	% 0.00%	0.00%	5.26%	0.00%	23.94%	0.04%	0.00%	0.00%	0.00%	0.00%	29.24%	14.59%	0.00%	1.92%	0.00%	45.75%	
42 - Motor Freight Transportation & Warehousing	\$ 802,878	1,400	-	14,774	1,366,919	13,734,196	-	-	-	-	15,920,167	3,631,253	-	5,419,186	-	24,970,608	25,456,610
	% 3.15%	0.01%	0.00%	0.06%	5.37%	53.95%	0.00%	0.00%	0.00%	0.00%	62.54%	14.26%	0.00%	21.29%	0.00%	98.09%	
45 - Transportation By Air	\$ -	-	-	-	16,778	-	-	35,504	-	-	52,282	90,056	-	-	-	142,338	412,724
	% 0.00%	0.00%	0.00%	0.00%	0.00%	4.07%	0.00%	8.60%	0.00%	0.00%	12.67%	21.82%	0.00%	0.00%	0.00%	34.49%	
46 - Pipelines Exc Natural Gas	\$ -	-	-	-	-	-	-	-	-	-	-	890,043	-	-	-	890,043	890,043
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%	
47 - Transportation Svcs	\$ 34,537	-	-	-	163,309	-	-	-	-	-	197,846	2,504,615	-	-	-	2,702,461	4,115,588
	% 0.84%	0.00%	0.00%	0.00%	3.97%	0.00%	0.00%	0.00%	0.00%	0.00%	4.81%	60.86%	0.00%	0.00%	0.00%	65.66%	
48 - Communications	\$ -	-	-	-	-	10,050	-	-	-	-	10,050	-	-	-	-	10,050	1,758,055
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.57%	0.00%	0.00%	0.00%	0.00%	0.57%	0.00%	0.00%	0.00%	0.00%	0.57%	
49 - Electric Gas & Sanitary Svcs	\$ -	-	-	-	-	318,742	-	-	-	-	318,742	-	-	18,602	-	337,344	3,686,425
	% 0.00%	0.00%	0.00%	0.00%	0.00%	8.65%	0.00%	0.00%	0.00%	0.00%	8.65%	0.00%	0.00%	0.50%	0.00%	9.15%	
60 - Depository Institutions	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	853,562
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
62 - Security & Commodity Brokers Dirs Exchanges	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	3,616	-	3,616	5,700,077
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.00%	0.06%	
64 - Insurance Agents Brokers & Service	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	654,675
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
72 - Personal Svcs	\$ -	-	277,589	-	-	-	-	-	-	-	277,589	14,104	-	-	-	291,693	1,000,852
	% 0.00%	0.00%	27.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.74%	1.41%	0.00%	0.00%	0.00%	29.14%	
73 - Business Svcs	\$ 7,388,203	11,463,604	3,139,401	1,983,717	4,108,340	3,605,031	166,454	3,033	-	-	31,857,782	31,153,228	2,339	3,989,159	-	67,002,508	136,742,829
	% 5.40%	8.38%	2.30%	1.45%	3.00%	2.64%	0.12%	0.00%	0.00%	0.00%	23.30%	22.78%	0.00%	2.92%	0.00%	49.00%	
75 - Automotive Repair Svcs & Parking	\$ -	-	-	-	403,701	83,775	-	-	-	-	467,476	13,363	-	-	-	480,839	1,774,990
	% 0.00%	0.00%	0.00%	0.00%	22.74%	3.59%	0.00%	0.00%	0.00%	0.00%	26.34%	0.75%	0.00%	0.00%	0.00%	27.09%	
76 - Misc Repair Svcs	\$ -	-	-	-	1,069,611	-	-	-	-	-	1,069,611	200,604	-	-	-	1,270,215	2,735,420
	% 0.00%	0.00%	0.00%	0.00%	39.10%	0.00%	0.00%	0.00%	0.00%	0.00%	39.10%	7.33%	0.00%	0.00%	0.00%	46.44%	
78 - Motion Pictures	\$ -	17,087	60,318	-	-	-	-	-	-	-	77,404	-	-	-	-	77,404	88,932
	% 0.00%	19.21%	67.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	87.04%	0.00%	0.00%	0.00%	0.00%	87.04%	
80 - Health Svcs	\$ -	-	-	343,237	23,020	-	-	-	-	-	366,257	-	-	-	-	366,257	811,811
	% 0.00%	0.00%	0.00%	42.28%	2.84%	0.00%	0.00%	0.00%	0.00%	0.00%	45.12%	0.00%	0.00%	0.00%	0.00%	45.12%	
81 - Legal Svcs	\$ -	-	-	114,840	196,539	-	-	-	-	-	311,379	1,039,450	-	-	-	1,350,829	17,330,974
	% 0.00%	0.00%	0.00%	0.66%	1.13%	0.00%	0.00%	0.00%	0.00%	0.00%	1.80%	6.00%	0.00%	0.00%	0.00%	7.79%	
82 - Educational Svcs	\$ -	-	-	3,414	-	-	-	-	-	-	3,414	1,518,042	-	-	-	1,521,456	1,581,839
	% 0.00%	0.00%	0.00%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	95.97%	0.00%	0.00%	0.00%	96.18%	
83 - Social Svcs	\$ -	-	-	-	-	-	-	-	-	-	-	259,381	-	-	-	259,381	1,110,455
	% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.36%	0.00%	0.00%	0.00%	23.36%	
87 - Engrg Accounting Research Mgmt	\$ 95,131	1,287,968	32,354,554	2,783,563	13,956,681	528,946	5,011,800	-	48,363	-	56,067,007	28,212,869	935,169	4,992,985	-	90,208,030	239,339,893
	% 0.04%	0.54%	0.22%	1.16%	5.83%	2.09%	0.00%	0.00%	0.02%	-	23.43%	11.79%	0.39%	2.09%	-	37.69%	
89 - Svcs Not Elsewhere Classified	\$ 1,150,995	38,615	74,667	164,734	2,115,390	2,121,571	275,896	-	-	-	5,941,868	9,507,078	-	567	-	15,449,513	32,263,180
	% 3.57%	0.12%	0.23%	0.51%	6.56%	6.58%	0.86%	0.00%	0.00%	0.00%	18.43%	29.49%	0	0.00%	0.00%	47.92%	
99 - Nonclassifiable Establishments	\$ -	-	6,088,799	2,037,560	430	-	-	-	-	-	8,126,789	-	-	-	-	8,126,789	12,828,310
	% 0.00%	0.00%	47.46%	15.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	63.35%	0.00%	63.35%	0.00%	0.00%	63.35%	
Total Services Procurement	\$ 27,221,697	12,808,674	46,104,267	12,266,145	84,189,411	27,123,595	43,896,464	38,537	-	197,637	253,846,426	150,422,326	937,508	31,205,261	-	436,411,530	1,017,025,306
	% 2.68%	1.26%	4.53%	1.21%	8.28%	2.67%	4.32%	0.00%	0.00%	0.02%	24.96%	14.79%	0.09%	3.07%	0.00%	42.91%	

Total Product Procurement \$	\$ 423,262,934
Total Service Procurement \$	\$ 1,017,025,306
Net Procurement** \$	\$ 1,440,288,240

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
\*\* NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS  
Direct - DIRECT PROCUREMENT  
Sub - SUBCONTRACTOR PROCUREMENT  
% - PERCENTAGE OF NET PROCUREMENT

Appendix G

# Annual energy product results by ethnicity & WMDVLGBTBE certification

ANNUAL ENERGY PRODUCT RESULTS BY ETHNICITY & WMDVLGBTBE CERTIFICATION  
(All dollar figures in \$MM)

Product <sup>1</sup>	Unit	Results by Ethnicity & Gender										Results by WMDVLGBTBE Certification											
		Asian-Pacific		African-American		Latino		Native American		Other Minority <sup>2</sup>		Minority Business Enterprise (MBE)		Women Business Enterprise (WBE)		Service Disabled Veteran-Owned Business (SDVOSB)		LGBTQ+ Business Enterprise (LGBTQ+ BE)		Subcontracting Goal Total	Total WMDVLGBTBE Procurement Spend <sup>3</sup>		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total			Male	Female
Renewable Power Products Direct	\$	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	\$ <sup>2</sup>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
Power Purchased	\$ <sup>2</sup>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	\$	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Non-Renewable Power Products Direct	\$ <sup>2</sup>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	\$ <sup>2</sup>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
Disposal Direct	\$	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	\$ <sup>2</sup>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
Nuclear Direct	\$	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	\$ <sup>2</sup>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
Natural Gas Direct	\$	-0	-0	29	19	-0	-0	12	5	-0	-0	12	5	-0	-0	-0	21	11	31	-0	-0	64	165
	%	0.0%	11.6%	11.6%	0.0%	0.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.7%	6.7%	0.0%	0.0%	0.0%	0.0%	38.6%	
	\$ <sup>2</sup>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	
Subtotal of Columns <sup>4</sup>	\$	-0	-0	19	5	-0	-0	12	5	-0	-0	4	5	-0	-0	-0	35	22	57	-0	-0	68	314
	%	0.0%	6.1%	6.1%	0.0%	0.0%	3.7%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	11.0%	3.3%	0.0%	0.0%	0.0%	0.0%	21.6%	
	\$ <sup>2</sup>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Subtotal of Columns <sup>5</sup>	\$	-0	-0	20	5	-0	-0	12	5	-0	-0	-0	-0	-0	-0	-0	31	22	53	-0	-0	73	318
	%	0.0%	1.7%	1.7%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	1.9%	1.0%	0.0%	0.0%	0.0%	6.4%	
	\$ <sup>2</sup>	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0

Notes:  
<sup>1</sup>Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives  
<sup>2</sup>Includes only long term power procurement commitments after June 6, 2011 or as a result of RFOs after June 6, 2011  
<sup>3</sup>Total WMDVLGBTBE spend does not include pre-COD subcontracting values  
<sup>4</sup>Includes all power procurement commitments  
<sup>5</sup>Includes Non-WMDVLGBTBE firms classified as 8(a) by the Small Business Administration

## Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

Data On Number of Suppliers												
Revenue Reported to CHS							Utility-Specific 2016 Summary					
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1M	128	100	2	50	0	280	262	239	2	41	0	544
Under \$5 million	57	75	0	0	0	132	45	32	0	8	0	85
Under \$10 million	33	30	0	1	0	64	8	8	0	1	0	17
Above \$10 million	105	76	0	0	0	181	8	2	0	1	0	11
<b>Total</b>	<b>323</b>	<b>281</b>	<b>2</b>	<b>51</b>	<b>0</b>	<b>657</b>	<b>323</b>	<b>281</b>	<b>2</b>	<b>51</b>	<b>0</b>	<b>657</b>

Revenue and Payment Data												
Revenue Reported to CHS							Utility-Specific 2016 Summary					
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1M	31.4	33.9	0	0	0	65.2	35.3	34.0	0.9	6.0	0	76.2
Under \$5 million	139.0	201.1	0	0	0	340.1	96.1	78.1	0.0	16.4	0	190.6
Under \$10 million	242.0	219.2	0	5.6	0	466.8	58.9	53.0	0.0	5.4	0	117.3
Above \$10 million	38,697.6	13,348.0	0	0	0	52,045.6	196.3	28.4	0.0	11.0	0	235.7
<b>Total</b>	<b>39,110.0</b>	<b>13,802.2</b>	<b>0</b>	<b>5.6</b>	<b>0</b>	<b>52,917.8</b>	<b>386.7</b>	<b>193.4</b>	<b>0.9</b>	<b>38.7</b>	<b>0</b>	<b>619.8</b>

NOTE: \* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE  
CHS: SUPPLIER CLEARINGHOUSE

## Major SDG&E WMDVLGBTBE purchase categories

CATEGORY	EXAMPLES OF SERVICES DESCRIPTIONS	2016 Total \$ (In Millions)	2016 % of Total Spend
<b>Electric Operations</b>	Engineering, Procurement and Construction (EPC), Engineering Services, Smart Grid, Electric Construction Services, Vegetation Management, Cable/Wire, Transformers, Equipment Rental, Aviation Services, Wildfire Mitigation Support, Traffic Control, Grading/Paving/Civil Services, Substation Site Development, Foundations	\$716.6	49.8%
<b>Power Supply</b>	Electricity & Gas Commodity, Power Plant Maintenance, Turbine Maintenance	\$52.6	3.6%
<b>Customer Services</b>	Energy Efficiency, Advertising & Marketing, Fulfillment & Distribution Services, Printing & Related Services, Appliance Recycling	\$151.7	10.5%
<b>Fleet Services</b>	Trucks, Vehicles & Equipment, Fuel & Oils, Tires, Auto Parts and Services, Vehicle Disposal	\$29.5	2.0%
<b>Operations Support</b>	Furniture, Office Maintenance & Repair, Landscaping & Maintenance, Building Leasing, Relocation, Environmental Services, Land Survey, Food & Catering, Building Security & Monitoring	\$76.5	5.3%
<b>Information Technology</b>	PC Equipment, Hardware/Software, Licensing, Application Development, Network/Telecommunication Equipment and Support, Helpdesk, Consulting	\$96.0	6.7%
<b>Professional Services</b>	Legal, Tax Consulting, Audit Services, Insurance & Benefits, Bond Issuance	\$36.7	2.5%
<b>Gas Operations</b>	Engineering, Materials, Construction, Welding Inspection, Locating & Testing Services	\$191.8	13.3%

## Supplier diversity glossary of terms

### CBO

Community based organization

### DBE

Diverse Business Enterprise, SDG&E's term for WMDVLGBTBE

### DVBE

Service Disabled Veteran-owned Business Enterprise

### GO 156

In May 1988, the California Public Utilities Commission (CPUC) issued General Order 156 (GO 156). Under GO 156, all investor-owned electric, gas, water and telecommunication utility companies with gross annual revenues in excess of \$25 million and their regulated subsidiaries and affiliates, were required to develop and implement programs to increase the utilization of woman and minority owned businesses. Voluntary procurement goals are 5% for women, 15% for minorities and 1.5% for service-disabled veterans.

### LGBTBE

In Decision 15-06-007, the CPUC required that Lesbian, Gay, Bisexual or Transgender Business Enterprises (LGBTBE) be included in General Order 156 reporting. There are no established goals at this time.

### MBE

Minority-owned Business Enterprise (African American, Asian Pacific American, Hispanic American, Native American)

### MWBE

Minority female-owned Business Enterprise (African American, Asian Pacific American, Hispanic American, Native American)

### Other 8(a)

Other groups or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of Small Business Act. Other 8(a) may include non-WMDVLGBTBE firms.

### QuickPay

This initiative requires federal agencies to speed up payments to small business contractors, with the goal of paying within 15 days. SDG&E's Supplier Quick Pay Program is based upon this federal initiative.

### SCORE

**Small Contractor Opportunity Realization Effort** provides opportunities for new and growing DBE companies to demonstrate their abilities to work with utilities through low dollar, short term agreements, typically under \$75,000.

### SQPP

Supplier Quick Pay Program - Helps small businesses by increasing their working capital, so they can grow their businesses and hire more workers. In the SQPP initiative, SDG&E commits to pay qualified small suppliers faster with payment terms of net 15 day with no discount.

### SUBCONTRACTING

Subcontracting refers to any agreement or arrangement between a contractor and any party or person (in which the parties do not stand in the relationship of an employer and an employee.)

- 1) For the furnishing of supplies or services, which, in whole or in part, are necessary to the performance of any one or more contracts; or
- 2) Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed.

### TECHNICAL ASSISTANCE

Technical Assistance - Provides well rounded and comprehensive programs to increase business acumen for diverse business owners at all levels and across functional business areas.

Tier 1 - Supplier Objectives: Identify core capabilities and develop metrics for supporting growth. Address business challenges and risk. Develop an action plan and a toolkit to overcome barriers.

Tier 2 - Supplier Objectives: Focus on capacity expansion and increasing revenue. Establish a strategic growth plan and identify methods to maximize profits.

Tier 3 - Supplier Objectives: Focus on key areas of expertise and leveraging subcontractors for areas that are not part of a supplier's core competency. Create value-added and innovative products and services. Proactively anticipate and prepare for future change. Develop a sustainable business model.

### WBE

Women-owned Business Enterprise

### WMBE

Women- and/or Minority-owned Business Enterprise

### WMDVBE

Women, Minority and Service Disabled Veteran-owned Business Enterprise

### WMDVLGBTBE

Women, Minority, Service Disabled Veteran and Lesbian, Gay, Bisexual or Transgender Business Enterprise



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## **APPENDIX IV**

## Appendix IV

### **To provide the City with additional context for our illustrative scenarios, we include a yearly illustrative calculation for the incremental commodity cost and average bill impact for 2021-2026**

As described in section 2.9.3, the current average price of renewable power exceeds the current average price of market power, creating a commodity cost premium. Under certain assumptions, it is possible to calculate this premium over time and to translate the premium into a monthly bill impact by simply multiplying the premium times the average customer usage times incremental procurement as a percent of the portfolio.<sup>1</sup> This appendix performs such calculations using publicly available data and the assumption that renewable pricing and customer load does not change significantly between 2021 and 2026. All calculations are illustrative, are not all-inclusive, and do not reflect an SDG&E forecast nor an SDG&E rate. For example, SDG&E does not publish internal analysis on renewable prices or potential impacts from renewable incentives and tariffs.<sup>2</sup> In addition, all calculations reflect incremental impacts and are not representative of rates. SDG&E does not project rates beyond a one-year timeframe.

#### **Our 2021-2026 calculations use the following inputs:**

- **Average Market Price of Power:** we use the cost of natural gas as a proxy for the cost of market electricity (see section 2.9.6). SDG&E does not publish our internal forecasts or analysis of natural gas prices. SDG&E's forecasts around forward market prices are proprietary. For this illustrative calculation, SDG&E used public future pricing from the InterContinental Exchange.<sup>3</sup>
- **Average Price of New Renewable Power:** today, the average price of renewable power is roughly \$20 per MWh more than the average price of market power. The City of San Diego's Feasibility Study for a Community Choice Aggregate reported a similar average current price using Lazard's Levelized Cost of Energy study.<sup>4</sup> In this appendix, we use data from the Lazard study to derive a total average price of \$61/MWh and, consistent with the Feasibility Study, hold that price constant for the 2021-2026 period.
- **Total New Local Renewables Purchased:** the quantity of new renewables procured for the City is illustrative and based on a scenario with the proposed program RPS reaching 53% by 2025 and 55% by 2026, as compared with SDG&E's existing forecasted renewable content reported in our 2017 draft RPS Procurement Plan.<sup>5</sup>
- **Average Use (kWh/month) Customer Class:** we use current load profiles reported by SDG&E<sup>6</sup> and assume load is held constant through 2026.

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<sup>1</sup> See Table 3.

<sup>2</sup> It is also theoretically possible for renewable power in the future to be priced at a discount to the average price of market power.

<sup>3</sup> <https://www.theice.com/marketdata/reports/142>; using SP15 On Peak (Symbol SPM) average price reported on 11/6/17.

<sup>4</sup> <https://www.lazard.com/media/438038/levelized-cost-of-energy-v100.pdf>; page 4, high end of the "Solar PV - Crystalline Utility Scale.

<sup>5</sup> [https://www.sdge.com/sites/default/files/regulatory/LD2D-315270-v1-R\\_15-02-020\\_SDGE%20PUBLIC\\_Draft\\_2017\\_RPS\\_Pleading%20Attach%20A\\_%20Appendix-1-14\\_0.pdf](https://www.sdge.com/sites/default/files/regulatory/LD2D-315270-v1-R_15-02-020_SDGE%20PUBLIC_Draft_2017_RPS_Pleading%20Attach%20A_%20Appendix-1-14_0.pdf)

<sup>6</sup> <https://www.sdge.com/customer-choice/customer-choice/dynamic-load-profiles>

## Illustrative Calculation

All inputs to the calculations are described above. **Calculation results do not reflect SDG&E forecasts nor an SDG&E rate.**

Table 3. Illustrative Calculated Typical Residential Commodity Cost Premium		2021	2022	2023	2024	2025	2026
<b>Example Market Prices</b>							
a	Average Price of New Renewable Power (\$/MWh)	\$61	\$61	\$61	\$61	\$61	\$61
b	Average Market Price of Power (\$/MWh)	\$37	\$38	\$39	\$41	\$42	\$43
c=a-b	Difference between Renewable and Market Price (\$/MWh)	\$24	\$23	\$22	\$20	\$19	\$18
<b>Illustrative Renewable Energy Program</b>							
d	SDG&E's Forecasted Renewable Content (%)	49%	47%	48%	45%	43%	43%
e	Total New Local Renewables Purchased (MWh)	0	90,000	225,000	400,000	725,000	900,000
f	Total New Local Renewables Purchased (MW)	0	30	75	130	250	300
g	RPS from City-SDG&E 100% Renewable Energy Program (%)	49%	49%	51%	51%	53%	55%
h=g-d	RPS Increase from City-SDG&E 100% Renewable Energy Program (%)	0%	2%	3%	6%	10%	12%
<b>Illustrative Renewable Energy Program Bill Impact</b>							
i= c * h ÷ 1000	Illustrative Customer Premium Per Month (\$/kWh)	\$0.00000	\$0.00046	\$0.00066	\$0.00120	\$0.00190	\$0.00216
j	Illustrative Customer Usage per Month (kWh)	500					
k = i * j	Illustrative Customer Bill Impact Calculation (\$/month)	\$ -	\$0.23	\$0.33	\$0.60	\$0.95	\$1.08

Table 4. <sup>7</sup>							Average Use (kWh/month) <sup>8</sup>
Customer Class	Illustrative Customer Bill Impact Calculation (\$/month)						
	2021	2022	2023	2024	2025	2026	
Small Commercial	\$0.00	\$0.64	\$0.92	\$1.68	\$2.65	\$3.02	1,397
Medium Commercial/ Industrial	\$0.00	\$11.28	\$16.18	\$29.43	\$46.59	\$52.97	24,521
Large Commercial/ Industrial	\$0.00	\$225.60	\$323.69	\$588.53	\$931.84	\$1,059.36	490,444
Agriculture	\$0.00	\$2.97	\$4.27	\$7.76	\$12.28	\$13.97	6,466

## Costs not included in the illustrative calculations

<sup>7</sup> Table 4 uses row (i) from Table 3, multiplied by the Average Use (far right column in Table 4) to calculate the illustrative customer bill impacts per customer class.

<sup>8</sup> <https://www.sdge.com/customer-choice/customer-choice/dynamic-load-profiles>

As noted in Section 2.9.6, the City could face other program and non-program costs in addition to the incremental commodity cost premium. Such costs are excluded from the calculations in this appendix for the following reasons:

- Administrative costs: administrative costs may include those relating to procurement activities, such as running of solicitations, billing,<sup>9</sup> marketing and SDG&E staff resources. For the 2021 to 2026 period, we expect SDG&E administrative costs to be an immaterial amount of total program costs. We do not comment on costs the City may incur to ensure it has the staff needed to participate in the proposed procurement process.
- Integration costs: the State and local transmission and distribution system may require additional investment to integrate new renewables procured for the city. For the 2021 to 2026 period, we expect integration costs to be an immaterial amount of total program costs. However, as higher RPS levels are reached, and additional projects procured, integration costs could rise over time.
- Local development costs: average renewable pricing from the Lazard Levelized Cost of Energy study are not differentiated by site location. To the degree the City prioritizes procurement of locally sited renewable projects, the commodity cost premium could increase. the City will have the option to consider the acceptable amount of local development costs to include in the program throughout the program period.
- Financing costs: a reliable estimation of financing costs will depend on the City and SDG&E further developing the program design.

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<sup>9</sup> Billing costs are assumed to be an immaterial amount of total program costs under the assumption that a single line item (or similar approach) would be added to participating customer bills.

# **APPENDIX V**

## **CREATING JOBS & SAVING ENERGY IN THE CITY OF SAN DIEGO**

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San Diego Gas & Electric (SDG&E) operates throughout Southern California, and the City of San Diego falls squarely within the SDG&E service territory. SDG&E actively supports 38 statewide, local and third party energy efficiency programs customized to regional demands in an effort to increase consumer savings, efficiently use ratepayer funds, expand financing mechanisms to disadvantaged communities and bolster job creation in San Diego's "green" economy.

The performance of energy efficiency programs in the City of San Diego is a model for energy efficiency in districts throughout California. The programs help both low to middle income families, as well as businesses, lower their energy costs and take advantage of increased job creation and growth in the energy efficiency industry as well as businesses and local schools.

### **BENEFITS OF ENERGY EFFICIENCY PROGRAMS IN THE CITY OF SAN DIEGO**

- Energy efficiency programs in the SDG&E service territory in 2016 eliminated significant energy waste, roughly the equivalent of removing 38,000 cars from Southern California roads or enough electricity to serve about 33,500 homes for one year.
- In 2016, energy efficiency programs in the City of San Diego have helped homes and businesses eliminate emissions equivalent to taking 14,400 cars off the road, enough natural gas to serve 1,600 typical SDG&E customer homes for one year, or enough electricity to power 15,000 typical homes for one year.
- In 2016, more than \$4.2 million in rewards were paid to single and multi-family homes in the City of San Diego by taking advantage of the highly-effective Single Family Energy Efficiency Rebate Program and Multifamily Energy Efficiency Rebate Program.
- In 2016, more than 55,000 residents and businesses in the City of San Diego took advantage of energy efficiency programs, receiving more than \$40 million in incentives or rewards and offsetting more than 151 million pounds of CO<sub>2</sub>.

### **LOW INCOME FAMILIES BENEFIT FROM ENERGY EFFICIENCY PROGRAMS IN THE CITY OF SAN DIEGO**

- In 2016, more than 7,500 customers enrolled in the Energy Savings Assistance Program in the City of San Diego. This resulted in energy cost savings and increased comfort for customers over the life of the improvements.
- More than 5,700 homes were weatherized through the Energy Savings Assistance Program in the City of San Diego. This enabled families to cut costs on heating and air conditioning, especially during periods of extreme weather, such as heat waves.

### **CREATING JOBS AND SUPPORTING WORKFORCE DEVELOPMENT**

An estimated 1,200 "green" jobs were created during 2016 to support energy efficiency programs in the San Diego region. During 2016, SDG&E contributed more than \$4 million in its Workforce, Education and Training programs to provide training for a new generation of specialists in a growing industry.